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SPEECHES,

THE FIRST WASHINGTON CONFERENCE ON PUBLIC HOUSING,

Held under the auspices of the

National Public Housing Conference

Willard Hotel
Washington, D. C.
January 27,
1934

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REPORT OF SPEECHES

delivered at the

WASHINGTON CONFERENCE ON PUBLIC HOUSING

NATIONAL PUBLIC HOUSING CONFERENCE
112 East 19th Street, New York, N.Y.

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OBJECT

To promote low-cost housing for workers through public construction and with the aid of government funds.

DEC 31 1935

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LUNCHEON SESSION

Subject: THE GOVERNMENT ACCEPTS THE CHALLENGE OF THE SLUMS

HERBERT BAYARD SWOPE

Journalist, and Treasurer, National
Public Housing Conference, Presiding

The new deal is the old deal: To do justly and to love kindness.

Not the least of the new deal's activities must be in housing. If we point with pride to the ending of child labor and to the elimination of sweatshops, then we must, to be consistent -- in fact, to be ordinarily decent -- stop the sweating of tenement house dwellers, for that is what the slums are. They would not be continued if they were not profitable, and they are profitable only through operation on a dehumanizing method -- through bleeding the tenants until all social justice is debased.

No light, no heat, no hot water, in fact little flowing water, few and antiquated sanitary facilities, these are the badges of shame that American cities still wear; these are the reproaches that thirty or forty years of planning have not yet torn down.

The National Public Housing Conference is a clearing house, where those interested in the fight can obtain information as to how it can best be done.

Our particular purposes in holding the Washington meeting at this time may be outlined under three headings:

1. To take a new measure of the housing problem as it exists in America today: the problem of the great mass of American wage-earners to provide decent dwelling accommodations for themselves and their families at rents they can afford to pay.
 2. To consider the effectiveness of the Public Works program as it operates in relation to this problem, and to the absorption of workers in the building trades by means of slum clearance and low-rent home production.
 3. To promote an accelerated and more vigorous advancement, by the Housing Division of the Public Works Administration, by local authorities, and by the community at large, of housing operations by local authorities.
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This luncheon and these sessions today, which will close with a visit to the President who, with Mrs. Roosevelt, Secretary Ickes and Secretary Perkins, form the chief supporters of the new crusade, the chief champions of a new and brighter life for those who receive the least wage, are to concentrate on the need for action and how that action can best be taken.

The rallying cry is "THE SLUMS MUST GO!"

HON. HAROLD L. ICKES

Secretary of the Interior and
Administrator of Public Works

To my mind, the outstanding achievement of this Administration has not been the forcefulness and ability with which President Roosevelt has approached the solution of such grave and important questions as those of currency and banking, farm relief and unemployment. It is true that in these matters he has shown a high order of statesmanship and of moral courage. And varied have been his accomplishments. It requires the reading of that excellent book of Ernest K. Lindley's, "The Roosevelt Revolution," to enable one to realize what he has already achieved in the direction of stabilizing and restoring our financial and business institutions and upbuilding the morale of our people.

But unless I am greatly mistaken, the Franklin Roosevelt Administration will loom large in history as marking the beginning of a new and better social order. What this Administration has already done toward making these United States a better place to live in for the average man and woman is amazing even if it is more felt than seen. Social values are among the imponderables. Improving the social order is not like erecting a public building whose progress can be marked by the eye from day to day. We cannot measure inch by inch or yard by yard any social advance. We aspire for it, we work for it, we despair of it and then all at once we realize that distinct progress has been made and that we are on the road to still further social achievements.

Anyone who is sensitive to social changes knows that since March 4 last we have set our feet firmly upon the path of a new social order. If we follow this path it will lead us in due course to an America where the strong will no longer be permitted to exploit the weak; where the sweat shop will be abolished; where women will not be permitted, let alone required, to work long, toilsome hours at tasks beyond their strength for a wage insufficient for

their needs; an America where little children, already providentially relieved of the inhuman burden of child labor by the stroke of President Roosevelt's pen when he signed the Textile Code, will have opportunities for education up to the capacity of each to absorb and make use of that education; an America where adults, able and willing to work, will have, every one of them, an opportunity to earn, within the limits of a reasonable working day, enough to support himself and his family in decent comfort, to educate his children and to give him a sufficient surplus to secure his old age and to enable him to enjoy in wholesome fashion the increased leisure that will be one of the by-products of the new social order that we have entered upon.

One of our pressing and most important tasks in the establishment of this new social order is a revolutionary improvement in housing conditions in the United States. We want, and we must have, attractive low-cost housing for those in the lower income groups. For the more gregarious portions of our population or for those whose conditions of employment require that they live in the more crowded areas we must provide decent and livable apartments at rents within the reach of all. For those who more fortunately, as it seems to me, can use and enjoy a separate dwelling with a little plot of ground we must, where we can, provide homes adapted to their desires and to their ability to pay.

The need for proper low-cost housing is not confined to the cities or even to the crowded areas of the cities. When we hear of the slums our minds naturally turn to New York or Chicago. But there are slums everywhere. It is a universal by-product of a laissez-faire social order. There are country slums as well as city slums. There are slums in our villages, in our towns and in our suburban communities. People are living in such insanitary and squalid conditions in many parts of the countryside that the dweller in a disgraceful city tenement would feel that his own surroundings were attractive and fortunate in comparison. If he does not have sunlight and air in sufficient quantities at least he has running water, plumbing of a sort and electric light.

It is not necessary to argue the case for decent housing conditions for our people. We admit its desirability as an academic proposition. But to remove the discussion of housing from the academic phase is really a mighty task and calls for united effort on the part of all of us. Admitting the need for years, we have really done nothing about it. We have merely highly resolved that some time, somewhere, somehow, by some miraculous means, our slums, both city and rural might, could or should be replaced by modern, sanitary, low-cost housing.

Hope at last for a definite and notable beginning in the erection of low-cost housing is now running high. This is because we have in the White House a man of greater social vision than any of his predecessors. And fortunately, he is not merely a man of vision, content to dream dreams and inertly hope for the best. In

characteristic fashion he has courageously set about to make his dreams come true. This practical idealist has a conviction that the way to promote low-cost housing is to build low-cost housing. Accordingly, by his direction there has been created a Federal Housing Corporation, to which the sum of \$100,000,000 has been allotted out of the Public Works fund, this \$100,000,000 to be devoted to slum clearance and the promotion of low-cost housing.

When the Federal Government undertakes to do a thing it does not usually permit itself to be held back. And what is generally true of the Federal Government is particularly true of this Administration. We have as President a man who keeps in direct and intimate touch with every phase of Federal Administration. Those of us who have the privilege of working under him never know when he is going to call on us for a report of progress or of accomplishment but we do know that sooner or later he will call upon us, perhaps at the most unexpected and inconvenient time. We have learned, too, that in some occult manner he manages to know as much or even more about what is going on in our departments than we know ourselves. The result is that we are kept on our toes and if we drive ourselves at our tasks for long hours we do it willingly and cheerfully in the knowledge that we are helping to translate into realities the dreams and aspirations of a President who is working harder and more smoothly and efficiently than any of us. So since the President has embarked on a program of slum clearance you may rest assured that the rest of us are for slum clearance and will do all we can to bring it about.

We realize that \$100,000,000 will hardly begin to scratch the surface in the matter of slum clearance and low-cost housing. We can't eradicate all of the slums in one city of considerable size let alone all the slums in all the cities of the United States. Billions of dollars would be required for such a task, and I may say in passing that no matter what the money cost would be to accomplish this purpose it would be money well spent. But while we cannot do a complete job or even a ten percent job on \$100,000,000 we can at least make a creditable start. In New York, Chicago and Cleveland, in Detroit and in Atlanta, as well as in other cities, the Federal Housing Corporation can and will clean out noisome and insanitary and dreadful slums and erect on their ruins attractive apartments or houses that will be available at a low cost to those in the lower income classes.

As I say, we will at least make a beginning. These Federal housing projects will be in the nature of housing clinics. They will demonstrate what can be done and will serve, we hope, to stimulate public interest to such a point that States and municipalities will take up the work and carry it on as a major social activity. It is not too much to hope even that private capital will be interested to continue the experiment. As a matter of fact a start already has been made in the building of low-cost housing by private capital through the instrumentality of limited dividend corporations, an idea that is taking hold in different parts of the country. I may say that in addition to allotting \$100,000,000 to the Federal Housing Cor-

poration the Public Works Administration has appropriated many millions of dollars for housing projects undertaken by limited dividend corporations in some of our cities.

The building of low-cost housing, fortunately, fits admirably into our Public Works Program. It is generally conceded that from the point of view alone of getting men back to work a building program is one of the most desirable things that we could undertake. It happens too that men in the building trades have been among the hardest hit during this period of depression. They were among the first to lose their jobs and in ordinary course they will be among the last to find work. There is still another consideration. The big cities where the more important slum clearance projects will be undertaken are the real centers of unemployment in the country. And unemployment imposes more suffering in the cities than in the country. Generally speaking, on the farms, people, while they may be in dire want, do have shelter and food while in the cities the unemployed too often have to depend upon outside help to sustain life.

So this building program can be justified as one of the best, if not, in fact, the very best make-work proposition that could be undertaken. Not only does it give in the large centers of unemployment direct employment to those workmen who have suffered most from the depression but it gives work besides to men in quarry, saw-mill and factory who furnish the materials that go into the buildings and also to men on the railroads and the truck lines who transport that material.

But the real justification for our housing program is its social justification. It is a fine thing to give to men who need work the work that they need. It is a finer thing and one that will pay for itself over and over again in social dividends to provide decent living conditions for those who lack them. If we insist for ourselves upon a just share of light and air and space, if we claim for our children an opportunity to grow tall and straight and clean in healthful surroundings, we ought to demand the same rights for every other man, woman and child. To open up our crowded slum areas in the cities to light and air, to insist upon proper sanitation, to provide playgrounds for the children, will mean an investment that will more than pay for itself in actual dollars and cents. The result will be less disease. Our children will become healthier men and women. There will be a reduction in crime. Vice and gambling and drunkenness will not be resorted to to such a great extent as at present by those who momentarily demand an escape from a drab and sordid and deadly existence.

Thomas Jefferson wrote boldly into the Declaration of Independence that "all men are created free and equal." Jefferson was expressing an aspiration. He was dreaming of such a state of society as ought to be. For the moment he had become, let us hope, a prophet even if a long range one. He was not writing history or even chronicling current events. For men and women have not been created free and equal. We cannot expect, much less demand, that every child born into the world shall have the same physical, mental and spiritual heritage as

every other child. But we do have a right to require that every child born into the world shall have an equal opportunity under the law with every other child. Every child should have the right to the fullest possible development, to every chance to grow bodily, mentally and spiritually to the extent of his capacity. Every child is entitled to protection from the influences of vice and crime and physical degeneration. To every child is due all the light and air and healthful play needful for a robust growth. Slums can have no place in a social order that has a real regard for its own well-being or a sense of responsibility for its children. If we are to assure for ourselves and for coming generations that equality of opportunity under the law toward which as a people we aspire we must replace every slum everywhere with a habitation that is fit for human beings.

Thomas Jefferson saw the vision of an ideal society and expressed it in beautiful phraseology. In view of the social advance all along the line undertaken under this Administration, especially in the direction of slum clearance, it is not too much to expect that Franklin Roosevelt will stand out in history as the man who made Thomas Jefferson's dream come true.

MRS. FRANKLIN DELANO ROOSEVELT

It is a pleasure to be here and take part in a meeting which really can hopefully look for actual results and not talk about aspirations only.

I remember very well my first very small investment in a limited dividend corporation for building a model tenement in New York City. The result was that the building was built and the kind of people that it was built for never lived in it. That has been the result over and over again, because it has been impossible to keep the rents at the low cost of the poor housing.

We now have a chance to work out ways in which we can actually clear slums and build cheap housing, but I think we have got to realize that we cannot count permanently on having it all done by the Government; therefore, we must try to see how this can continue and be a really widespread program.

I have come to the conclusion that the economic thing which makes low-cost housing so difficult of achievement is the fact that in this country, particularly in the big cities, most people have looked upon their land not as a source of regular income but as an investment in which they would eventually make a great deal of money on the capital invested; therefore, instead of investing their money and deciding that at such a rental they could afford to continue to rent that property as a source of income, they have exploited their property, always thinking

that they would get a great deal more out of it some day than they put into it. That is one of the things that will have to change if this is to be done on a large scale throughout the country.

I know of no way by which this can come about except through public opinion. I think that if we make it distinctly understood that the holders of property who exploit human beings are bad citizens in their communities we will get somewhere in a large way on this program. I think that is what most of us should bend our efforts toward doing today.

I am not going to take up any more of your time because the subject has been covered already, but I want you to remember that this thing can be done by the awakening of the conscience of the citizens who are property owners and who have the ability to bring about in a calm and orderly fashion what has had to be done in some places through revolution. I believe that we can do it and that we will do it, but it may take a little dramatization of the things that thoughtless people do to their fellow citizens just in order to make a little more money.

HON. LANGDON W. POST

Tenement House Commissioner and
Chairman Municipal Housing Authority,
New York City

The slum has been a challenge to civilization ever since cities came into existence. It has been taken as a matter of course, a necessary evil growing out of a social order that rests primarily on the theory of the survival of the fittest. Capitalistic countries, recognizing this, have made but little attempt to attack the problem and have satisfied their conscience by spending part of their excess profits for certain charitable institutions which help to some extent to alleviate the sufferings and evils that are bred in the slum. Thirty years ago hardly a single country in the world had accepted the principle that the problem, impossible to solve by private capital, was an obligation of government. Now, practically every country in Europe has accepted this obligation and for the first time the slums of Europe are really being cleared. In spite of this example and lesson no government in this country, State or City, would admit that the responsibility of eliminating slums rested upon its shoulders. Two years ago legislation that would have put the government of the State of New York on record as recognizing this obligation was laughed out of court and pigeonholed. But the ill winds of the depression have silenced the opposition and those who have fed on the misery of the slums find the bone scraped and are now willing that the government should step in. Years from now our grandchildren and great-grandchildren will look upon us with some contempt for our delay in attacking the greatest social evil in our civilization.

Although this is a great day for those who realize what slum clearance really means and who know the great obstacles put in their path by prejudice and selfishness over a period of years, it nevertheless signals no departure from the fundamentals of our government. For the right of the State to own and operate for the benefit of its citizens has always been implicit in our State constitutions, as witness the State operation of bridges, tunnels, parks, canals, health institutions, schools and so forth. The construction and operation of housing then, is merely a perfectly logical extension of this recognized principle. The only thing that is somewhat difficult to understand is that this extension was not recognized a long while ago. It would have saved millions of dollars and hundreds of thousands of lives, to say nothing of the misery and suffering of the people who have been forced to live out their lives in these slum areas. I wish I could show you over the radio pictures of some of the slum areas in New York City twenty-five years ago and then show you the same areas today, not only no better but, on the contrary, far worse, due to the ravaging effects of twenty-five years of neglect and deterioration. Not only have our slums not decreased in New York City but they have increased and the cost in lives and money to maintain them is beyond accurate estimation.

I am going to confine myself to New York City because there I am on familiar ground. Furthermore, it contains the greatest slum area in the United States; it represents seven percent of the population of the country; more than two millions of its inhabitants live in tenements built over fifty years ago - more people than live in the whole State of Maryland. From a financial point of view alone it has the most difficult slum clearance problem. Few people realize that at least twelve hundred of the five thousand blocks in the whole city of New York have been conclusively demonstrated to be slum blocks - that is, to contain rooms without windows, apartments without ventilation, complete lack of privacy, almost mediaeval sanitary conditions, all of which taken together breed tuberculosis, crime, juvenile delinquency, immorality, leading to a general breakdown of social morale. A trip through any section of these twelve hundred blocks would convince an impartial observer of the truth of this statement. Figures recently obtained show that in the areas in New York City that have been designated as slum areas the tuberculosis death rate averages 113 per 100,000 of population as compared to 58 per 100,000 for the whole city, and in those areas that cannot be called slums in any sense of the word the average drops to as low as 27 per 100,000.

Recent figures based on the 1934 estimated expenditures by the City of New York show that the cost of maintaining sanitation, police protection, fire protection and health protection is more than three times greater than the tax revenue derived from those areas for these purposes. Yet in an area not designated as slum the cost for these services is less than the tax revenue derived for them. So it may be seen that from a purely monetary point of view the slum is a burden on the city. To those attending this National Housing Conference the social evils alone would be sufficient to justify government expenditure to clear the slums, but to those who either refuse to recognize the ex-

istence of the slums or who have never had occasion to feel their menace it is unfortunately essential that we prove the necessity of slum clearance in terms of dollars and cents rather than in terms of human suffering.

We complacently accept the fact that infant mortality and death from tuberculosis are uniformly higher in the slum areas; that bad housing never fails to undermine individual initiative, economic efficiency and stability of character. But the slum is not only a menace to the people who live within its borders - it is a danger to the public as a whole. Not so long ago in New York City a slum area which still exists within a block of the wealthiest section in the world, Wall Street, was partially helped by the benign and charitable efforts of the gentlemen doing business down there, - because it was brought to their attention that the people who swept out their offices lived in an area that bred tuberculosis and other communicable diseases. This is an indication that if the more fortunate people in this country would fully realize the danger of the slum to their own existence they would, for this reason alone, abolish these sore spots. But the prevention of social evils is easier than the cure. Not only this, but the money value created for the community by the reduction of sickness and suffering and the prolongation of life through the eradication of slums is many, many times the cost.

The attack on this problem of slum clearance has been prevented for several reasons, none of which reflect much credit upon an enlightened nation. The opposition can be laid to the total indifference, in a rapidly growing community, of the successful to the conditions of the less fortunate; to the deliberate and pitiless exploitation of the ignorant, who for years came pouring into New York City by the shipload; to the complete ignorance of many of those growing rich from real estate holdings as to the sordid sources of their wealth; and finally the stubborn position of those who, ignoring the example set by Europe and led by a fear of what might happen to their own particular interests, have for the last decade and a half opposed any attempt to rid the community of the blight. However, due to the dearth of profit in further exploitation, the opposition has at last broken down and the unceasing efforts of those who vainly fought these evils in prosperous times are now about to be rewarded.

And so, having overcome the obstacles to the entrance of government into the housing field, we now face those that stand in the way of our translating this principle into action. It is impossible in a country as large as ours to set up rules, regulations, restrictions and yardsticks that can be expected to apply to each individual community. If, for instance, we were to confine slum clearance to land at a certain value we would run at once into an impossible situation in New York City. If we were to restrict our buildings to a certain height we would find equal difficulties. If we insist that the type of subsidy now provided for by the Federal Government is the only possible one we may find ourselves forced to shut our eyes to some of the worst slum areas in the country.

The present capital grant of 30% of the cost of labor and material for housing construction is very deceptive. It sounds like a large and generous contribution on the part of the Federal Government. Actually, as far as New York City is concerned, it amounts in some cases to only 15% and in a few areas does it rise above 22%, this variation being due to the cost of land. The result of this deceptive grant in some of the worst slum areas in New York City would be that instead of the Federal Government granting us a certain amount of money it would actually be making a profit. Because by charging 4% interest the Federal Government is lending money for housing at a considerably higher figure than it costs it to borrow the money. If the Federal Government, in addition to the 30% grant on the cost of labor and material, would reduce its interest rate to a point that approached the rate it has to pay to borrow, we would be receiving a true grant. And since the Federal Government has adopted the principle that it is justified in subsidizing slum clearance and low-cost housing; it seems to me only logical and fair that it should make this reduction. In several projects submitted to me in New York City I can conclusively prove that a reduction of interest by 1% would effect a greater saving than the present so-called 30% grant. I have not time here to give you all the figures, but I am prepared to defend this statement.

There is a fairly large and influential element in the city of New York that, for one reason or another, is anxious to ignore what I believe to be the heart of the slums. We have made a survey that has brought to light twelve slum areas in the greater city of New York. Eight of these are in the smallest of the five counties that comprise greater New York City. To completely ignore these eight areas would be to defeat utterly the purpose of the money that the Federal Government is prepared to appropriate. It would be an admission of weakness and a confession of indifference to which the people of the city would soon awaken. It is beside the point to discuss here the reasons for this desire to shun Manhattan. Suffice it to say that it cannot and must not be ignored. If land value is the difficulty, then we must overcome it by a different approach; if it is height and congestion, then we must take a different attitude towards these problems; if, in some cases, it is renovation rather than demolition and rebuilding, then we must accept that method; if, in other cases, it is merely demolishing in order to create open spaces, then we must do that. There is more than one way of skinning a cat. If by a greater subsidy we can get at the heart of the real slum problem, then by all means let us have a greater subsidy. It is a different type of subsidy that will solve the problem, then let us have that. But let us not say that as long as land is valued at such and such an amount per square foot it is impossible to have slum clearance - and I ask of the authorities in Washington that they permit us in New York to show them how we can clear our slums and not to set us conditions that make it impossible for us to clear them,

After long years of struggle we have overcome the opposition of powerful prejudices against governmental participation in slum clearance. We hope that it is not going to be necessary for us to surmount another hurdle in the form of preconceived ideas, inelastic standards and inflexible yardsticks. With this accomplished I am confident that with honesty

and sincerity of purpose the other obstacles facing us in slum clearance will fade away.

The approach then to this problem of slum clearance and low-cost housing is not merely the price of land or the height of buildings or the ability to meet interest payments and amortization or the amount of subsidy. There are certain hidden costs, the saving of which will far outweigh any grant that the Government may be prepared to make. By these hidden costs I mean the costs to the city in lives of human beings, in health, in fire protection, in sanitation, in crime, juvenile delinquency and the breaking down of morale, particularly among children.

The Federal Government cannot possibly use its public works money for a more productive purpose than slum clearance and low-cost housing, from the point of view of either social betterment or financial investment. Although I have nothing but the highest praise for the expenditure of money for bridges, viaducts, sewer systems, tunnels, they still remain, in my opinion, an investment inferior from every point of view to that of slum clearance and low-cost housing.

In spite of the fact that municipal housing has been a proven factor of benefit to vast numbers of people in other countries there has been no agency in this whole country, up until a few months ago, that could accept the money the Government was prepared to spend. Now we have that agency. A long-overdue debt is about to be paid. To those who have borne the burden of the slums this is a new day and a new hope.

MISS GRACE ABBOTT

Chief, Children's Bureau
U. S. Department of Labor

I am not going to undertake to give all the statistics which the Children's Bureau has assembled, in order to show what the effects of bad housing are upon children. I hope that in my colleague, Dr. Lubin, we will have sufficient statistical evidence from the Labor Department, but I do want to say that from the very beginning, the first studies that were made, the early infant mortality studies, for example, we demonstrated the effect of housing upon children; that, for example, if a child was born in a home in which two or more persons lived per room the chance for survival of the child was one-half as great as when the child was born into a home in which there was the fewest number in the group per room. That means that we had statistically accounted for the deaths that occurred because of the influence of poverty, of nationality, of the employment of the mother, and also of the feeding of the child; that there still was this handicap of the home which apparently resulted in a very large number of deaths of children.

From those early studies we have gone on to studies of children in industrial towns, in large cities, along the maintenance of way groups in the railroads, and have found the same general type of wretched conditions as the homes of children.

My speech has in part been made by Mr. Ickes in reciting what are the rights of childhood, and by others who have followed who have pointed out that special children are especially the concern in this connection. We have realized it probably more this year than in other years, or in these years of the depression, because we have now at the rock-bottom of our population millions who belong to the no income group; where we used to talk about just the lowest income group we have now a very large no income group, and this group has been especially exploited in the matter of housing during the whole of the depression because, while we have done fairly well in the matter of supplying food, in the matter of shelter we have failed in a very large part of the country, so that we have the example of doubling up which has greatly increased congestion.

I think that it is out of the suffering of these millions of children during this period that we get the impetus for the movement which has come now for really radically changing our whole standard and outlook on the subject of housing the children of the country.

I sometimes wonder why, with all the evidence that has been submitted by all kinds and sorts of organizations, we have been so slow to act. We accept the Turner theory of the influence of the frontier, that the pioneer has been taught to accept and to glory in the overcoming of handicaps and to expect that by his own individual initiative he would pass by them. A very large number of us have been bred in that theory. I remember the gusto with which my father described his building his law office himself and using it as a house and a law office, but in four years, by the time the children came along, the family was housed in a comfortable home. To a general extent that is what we have said was the outlook for the pioneer, but we know that pioneering has left behind great numbers that did not come out of the housing conditions that were perfectly disgraceful. We know that instead of their being a legacy of pioneering, we have gone on creating them, and that thousands and thousands of children do not live in these homes temporarily but know them as permanent homes, the only homes upon which they can look back, and that it affects their health not as seriously as it affects their social life, their outlook; their whole view on society is after all the thing that we need to consider. We should realize that we have got to pioneer now in a new way, and it is as a great pioneer that President Roosevelt has, I think, attacked this problem.

The immigrants themselves who flooded the great cities and the smaller industrial communities had to a very considerable extent the same attitude as the American pioneer. They expected to move out in one generation, and very large numbers of them did, leaving behind the houses worse for their occupancy for the next group of children to

move into. We are extraordinarily patient I feel with the suffering of children. We can ride by and see these houses and not let it keep us awake nights, and yet if we went into them and really knew what they meant in the lives of children I think few of us would sleep comfortably after such a visit, because it is so destructive of the ideals and theories of American life.

We have experimented a little with some things. We have tried in some industrial communities company housing, and we know it is a failure, to take care of the problem. Some of the worst housing that I know of is company housing in which families are living, rent free, at great costs to themselves and society, because of a free or a very low rent for wretched housing conditions. We have tried, and I hope we are going to try more, limited dividend housing, but we know that it takes care of not the lowest income group, and we have to embark boldly on the public housing program in which the profit motive is removed and we undertake really to consider what are the social values that we want to create in this community and in this nation.

Out of the necessity of the times for stimulating work, for stimulating work by useful construction, by taking into consideration what should be our social aims, I hope very much that we are going to see the beginning, the demonstration of the possibility of really making life in America measure up to what we think life in America should mean to its children, and that means literally millions of children in the United States who do not know what a decent and happy home is because of the social and economic conditions to which they were born. I hope that another generation will see those millions of children rejoicing in the great work that you are doing now.

DR. ISADOR LUBIN

Commissioner, Bureau of Labor Statistics
U. S. Department of Labor

It is terribly embarrassing to have to get up after you have been warned by Miss Abbott that you are going to hear a lot of statistics; particularly in view of the comment that one of my very dear friends made the other night to the effect that if all of us statisticians were laid end to end the country would be a lot better off.

The housing problem as I see it is primarily a problem of personal incomes. If our incomes were large enough I doubt whether we would have the problem of slum clearance that we must face during this generation. It is well enough to say that slums are the outcome of the gregariousness of given groups, that people will stick together and that they will live in congestion, but I think that all

evidences prove that in those cases where incomes are sufficiently large to make it possible to buy decent housing for the families, those families will in virtually every case get such better housing. In other words, as I see it the problem right now is either to raise incomes to the point where our population can afford to pay for decent housing or, second, lower the cost of housing to the point where present incomes will make such housing possible.

Now the problem of incomes as it affects housing is primarily, as you will easily see, the problem of the wage of the lower salaried worker. He is not receiving enough to pay the rent required to get a decent place to live. I am not referring to the present 1933 nor to 1932. I am referring to the ten years, 1920 to 1930. At no time during that decade of so-called prosperity did the average wage earners of the United States get enough income to make it possible for them to enjoy the type of housing which is required if we are going to do that thing the Secretary of Labor said: Treat ourselves to some of our civilization.

Fortunately during the past week the United States Department of Commerce has gotten up some figures for us to give us some picture of what the average wage earner in this country actually was receiving. I want to give you some of those figures, and then I want to compare those figures with what the various people in the United States in the lower income classes have had to pay for rent, and see then whether we can come to some conclusions as to what is the essential next step.

If you take the figures of the United States Department of Commerce on national income you will find that the average income for the worker in a manufacturing industry, who was fully employed to the extent that his industry ran fully, was \$1300 in 1929 at the height of prosperity. In 1932 that income had fallen to \$876. I want to emphasize those figures because I want to come back to them in a minute. Thirteen hundred dollars was the average income of the worker in a manufacturing industry in 1929 at the peak of prosperity, \$876 the year before last.

For other industries, such as mining, transportation, construction, and other industries of that sort, if you put them all together and got an average you would find that the average was approximately \$1400, \$100 more for the construction, transportation and service industries, than the average for manufacturing itself. In 1932 this figure had fallen to approximately \$950.

These figures, as I say, are averages and being averages they were arrived at by bringing together the incomes of those who earned relatively more than \$1400 and many of whom earned much less than \$1400. They correspond rather accurately with similar figures that we have for the state of Ohio which were received by the Ohio Industrial Commission, and which show that the average for all employees in that state was approximately \$1480 in 1929 and \$1050 in 1932. But the thing that is worth while pointing out is that in the highest class of wage earners

taken from the point of view of income, which in 1929 in the state of Ohio was the construction industry workers, the average was approximately \$1650. In other words in that upper group of wage earners, in the industry that paid relatively the highest wage rates, the income per capita was only approximately \$1650, the average for industry as a whole in the state being \$1480.

Now the question that immediately arises is, how much of this \$1400 is available for rent, how much can we expect the average wage earner to give up of this amount, and once we find out what that amount is, the second question arises, what can you give him for his money?

If you take the country as a whole you will find that by and large, roughly approximately 20 per cent of the wage earner's income is spent for rent. Such figures as are available both for the past and the present show tremendous variations. If you took the year 1918, for example, at the peak of war activity you would have found that approximately one-sixth of the wage earner's income went for rent, approximately 16.6 per cent, but if you went to various parts of the country you would have found tremendous variation. You would have found, for example, up in Bridgeport one out of every four dollars of income went for rent, 25 per cent of the wage earner's pay envelope going to his landlord.

Later studies, the most recent of which for wage earners was made in 1930 in the city of Detroit among Ford employees, after the building boom was over, when there was no shortage of housing, when facilities were available, in fact there was very definite evidence of a surplus, if you took the city of Detroit in 1930 you would have found that the average Ford worker was earning approximately \$136 per month. Of this amount \$32.50 or 22.6 per cent was going to pay for rent. This is a fairly high proportion, 22 per cent of one's income going to pay rent. If we cut that down to, say, approximately 20 per cent, which would be the average for all classes, the average Ford worker earning \$136 per month would have had to pay approximately \$28 per month for his rent.

Now if we move to another group of workers of a higher income class and with a higher standard (I refer particularly to governmental employees) we will find that there too an abnormally large proportion of their income is going for rent. In 1928 we found that in New Orleans approximately one out of every six dollars was going for rent among government workers. In the City of Baltimore approximately 22 per cent was going for rent.

During last autumn in the city of Washington in investigating the cost of living we found that the custodial workers, that group that was earning from \$1000 to \$1500 a year, were on the average spending 23.8 per cent of their income for rent, almost a quarter out of every dollar among the workers who are earning from \$1000 to \$1500 going to pay the landlord at the end of the month.

Among groups earning from \$1500 to \$2000, primarily the clerical

group and the administrative group, we find that 26 1/2 per cent was going for rent in the city of Washington; 73 1/2 cents out of every dollar was left over after rent was paid for other costs of living.

Now, looking at that situation and seeing how much it costs the average wage earner to live in any sort of housing, and certainly none of us can be proud of the type of housing we have been furnishing either laborers or government employees either in Washington or elsewhere, the question comes as to what we can do with this money that the average wage earner has available from his income to pay rents. I am not dealing with 1932 and I am not dealing with 1933. I am dealing with what the average wage earner earned at the peak of prosperity.

Earning \$1400 a year on the average, or \$117 a month, and allowing 20 per cent for rent, as I mentioned a minute ago he was paying, \$23.50 per month for rent, the question arises, what can we furnish for \$23.50 per month or, better still, what could we have furnished in 1929 for \$23.50 a month? In terms of 1933 we have got to ask the question, what can we furnish him for \$16, because \$16 is all he has available for his rent.

On the basis of 1929 earnings of \$23.50 a month for rent which is available, at \$10 a room we could have furnished approximately two and three-fifths rooms for the average wage earning family. At \$8.00 cost per room we could have furnished three rooms, and at \$6 per room we could have furnished three and eight-tenths rooms.

Now the problem is, can we furnish decent housing at \$6 per room. If you can, you can take care of the average wage earner. You cannot take care of the submarginal wage earner whose income is below this \$1400 level. If we are going to take care of those who are receiving less than \$1400, we have got to furnish rooms at less than \$6 per room. I am assuming approximately three and a fraction rooms per family. I personally doubt whether you can furnish decent housing with modern sanitary conveniences, with plenty of light, for \$6 per room. At least we can't do it with the conditions as they are right now. It is quite possible that with new developments of technique of building and with other problems of construction solved, we may be able to do that, but even if we do get down to \$6 per room, all that we will be furnishing the average wage earner's family on the basis of \$23.50 per room, which is the average that he should spend on his rent, will be a little more than three rooms per family.

The question arises then, if we can't give rooms at \$6 a piece per month, what are we to do about it? I think there is only one answer: We have got to make up our minds once and for all that decent housing, under present conditions at least, requires very definite governmental subsidy. We must look upon housing as we have looked upon health facilities, recreational facilities and other activities where the Government has felt that the service must be rendered at a price below the actual cost to society as a whole.

How are we to do that? I personally see two ways. First, definitely and clearly commit ourselves to municipal housing, at a loss if necessary. We have got to make up our minds that if we go in for municipal housing we cannot expect all of these properties which are to be created for low income groups to pay their complete operating expenses and overhead. We cannot do that if we are going to furnish these apartments and flats at a rental within the means of the average wage earner.

Second, in addition to public housing on a municipal basis, I believe it will be absolutely essential that we continue for the present at least and perhaps add to such subsidies as we have arranged to give to private housing. That can be done first in the manner Mr. Post suggests, lowering rents, second, by eliminating taxation on such properties, and third, by the present method of giving actual grants.

In any event, I think we have got to make up our minds that with building in its present technological state, the day when housing for workers, and I am talking about housing that is decent, at a price within the income paying ability of the worker -- the day when housing can be furnished at that price and at the same time net a return to the private investor equal to what other investments in private industry have yielded is past, at least until we have found some other way of providing housing.

WILLIAM AVERELL HARRIMAN
Deputy Administrator, National Recovery
Administration

The reason I have been asked to speak to you is because within the division of the industry which is within my division comes the so-called heavy industries or capital goods industries. They are the ones which manufacture largely the things that are used in the construction of houses; for that reason this subject is of intense interest to those groups of manufacturers. You are fully familiar with the fact that something like two-thirds of our unemployment has been within those categories. You are familiar also with the fact that the unemployment has been as great as 80 per cent within those categories of industries and including the construction industry.

We will either have to provide in our economic life for the use of those plants or they will die and decay and the population that used to work in them move to other occupations. One has only to look at an airplane map of New York City and other cities -- to realize that the people who say that this country is overbuilt do not know what they are talking about. There are isolated islands of office buildings and of very high grade apartment houses that possibly are overbuilt for immediate use. The rest of the city is

in the condition which Mr. Post has described to you, and he has made a very moderate statement of the condition.

I believe that Mrs. Roosevelt put on the table a challenge to the thought of this conference when she spoke of the fact that Government could lead the way but private enterprise would have to take it up. Don't let us forget the fact that money spent by Government must be paid either by the income from the facilities that are produced or else through taxation. Taxation eventually finds itself way down to everyone's pocket, whether he be within the category of the higher bracket incomes or the low. Perhaps obviously to a different degree, but it finds its way there nevertheless.

The more we put the burden on Government for subsidies and other aids, the more we increase indirectly the rent paid by the people who are to live in these houses. One can't help wondering in this great civilization that has been developed why our workers are able to buy the products of labor in the form of automobiles, in the form of radios, in the form of clothes, in the form of entertainment and food to a degree that has never been known before -- and I am speaking of the period, naturally, prior to the present depression -- in any other country of the world; yet they are not able to buy the products of labor in the form of decent housing. There must be some fundamental cause for that, and I lay on the table for your consideration that it is due to the fact that the same type of effort, the same type of thought, has not been put to the production of low cost housing, and in that sense I mean low cost in construction housing, that has been put into the other things that our people are using. Why is that?

We hear a lot about the fact that men in the construction industry are getting much higher rates of pay than those in other industries. That may be true, but when you look at their total income for the year it is not hard to see that there is real justification for those hourly rates: the seasonal character of their employment, the incidental character of their employment, the fact that they work and are laid off is the obvious reason for that. I put on the table the question in connection with this program that you are talking about ways and means furnishing steady employment and not casual employment.

Then we look at the things that go into the construction of houses. Every architect and every builder and every owner has a different idea as to what should be put into those houses. The materials are ordered rapidly and prompt delivery is demanded. That has made it impossible to do any planning on a manufacturing basis for the things that are used in housing. I know of no way that particular problem can be solved without the cooperation of Government. Individual ideas will govern unless pressure is used.

I will tell you one particular type of instance which is indicative of that necessity. I suppose you have all heard about standardization of railroad freight cars. There has never been a chance to get railroad men to agree on standard box cars, even though the capacity

and use is pretty well standardized. Railroads have got together and produced what they considered to be a good standard box car for certain specific purposes. The manufacturers asked the railroads if they bought the rolls of steel that go into the box cars if they would hereafter buy those cars. The answer was that they would make no commitment.

I suggest for consideration that in connection with the granting of subsidies and aids and money, you suggest to the Government that a program of standardization be studied so that when money is lent a condition be placed on that money that standard materials be used. I do not mean that we should live in standard houses. There can be any number of varieties of combinations, but that in the planning of these houses standard materials be used, and I mean right down to the length of pipe, the length of concrete blocks, et cetera, and down to the smallest fixtures. Not only will that involve substantially cheaper production, but it will also involve substantially cheaper installation.

There are other reasons, of course, why decent housing has been out of reach of our workers: the cost of private capital, naturally, the cost of land, the inability to produce a project on a sufficiently large scale. Condemnation privileges are necessary in order to handle the matter in an intelligent way.

It seems also that in connection with planning for standardization planning as a whole should be undertaken. A manufacturer must see ahead of time a flow and demand for materials. An Automobile manufacturer can plan a design and control what he produces. A manufacturer of fixtures, of building supplies, cannot do so, and he has to look ahead in connection with the capital expenditures that are necessary to produce that product cheaply to a program.

Lastly I should like to speak of a matter that has nothing to do with the subject that I am speaking on. The subject of low cost housing is a subject in which I have been interested for a great many years. I don't know that it was ever brought more clearly home to me, however, than about eight years ago when I had the opportunity to make a trip through Russia. You will recall that during that period every year one heard stories that there would be a counter-revolution and the Soviet Government would within a year or two fall. I was satisfied by that time that the government was stable and was in control, and largely for one reason, or I should say among others one important reason.

I will give you a picture of one town. It happens to be Baku which, as you know, is on the banks of the Caspian Sea in the heart of Central Asia. There is a town there, in which all of the various races had congregated over the years, had been driven in that small area between the two ranges of the Caucasus Mountains, and it is that area where there are important oil deposits.

The Soviet Government had sent an engineer to America to study

how oil should be produced. He came back and in connection with the project of developing economic exploitation of those oil fields, he brought back a certain type of architecture which we know in California as the mission type, Alongside of the oil wells that were being drilled there were villages springing up of these houses. Instead of shack lean-tos against the travel hills where men, women and children and pigs and dogs shared these shacks were these small but tidy type of houses. One could not help but realize that a government that was approaching the social problem in the manner they were would retain the respect of the citizens of that country.

I will reverse it here. If this problem is tackled in the manner that you are tackling it, I know of no possible theory of government, no possible propaganda that can overthrow the principles upon which this great democracy has been built. This is the sore spot of our civilization, and it is a privilege for me to participate with you in this conference.

M. J. McDONOUGH

President, Building Trades Department
American Federation of Labor

The building trade workers are in the same position as other workers. The daily or hourly wage means nothing. It means nothing other than the fact that we have not had an opportunity to earn that salary yearly. In other words, what we should consider is the yearly income, not the hourly income, and yet many people are objecting to the \$1, \$1.25 or \$1.50 an hour paid to the building trade workers. It means nothing if they do not have an opportunity to earn it.

At the present time our industry is the most depressed in the country, at least 80 per cent of our workers being out of employment and with no relief in sight.

As far as the organized workers of this country are concerned, we are in accord with the program as laid down by the National Public Housing Conference. We are for slum clearance, for the reason that many of our people occupy homes that are not fit to live in. I believe that at the present time there are in this country five million homes that are without the proper sanitary requirements. In my opinion those five million homes are a menace to the health, not only of the workers but of all the people in this country. We are in accord with the purpose of this Conference, not only as a means of providing better homes for the people to live in, but we also believe that if all of our organizations support you in this great movement it will be an aid in relieving unemployment for our people.

On behalf of all the building trades organizations I want to assure you of our whole-hearted support. You are at liberty to call on any of our international organizations. If any of them do not show the proper spirit of cooperation, I will assure you of my best efforts in having them fall in line with you.

MORNING SESSION

Subject: ORGANIZING THE COMMUNITY FOR PUBLIC HOUSING

MRS. MARY K. SIMKHOVITCH

President, National Public Housing Conference
Director of Greenwich House, New York and
Member of Advisory Board on Housing, Presiding

The object of this all-day conference and this luncheon meeting is to arouse the public to the great opportunity the Recovery Act affords for public housing. Private housing, including limited dividend companies, cannot reach the people of the low income group. Our National Public Housing Conference exists for the purpose of arousing public opinion to secure immediate action. Low cost housing needs for its realization the creation of municipal housing authorities in every large urban area. We appeal to you all to help us in this effort.

HELEN ALFRED

Secretary, National Public Housing Conference
and Chairman, Housing Committee
National Federation of Settlements

Your attendance at this Conference is heartening indeed. It gives encouraging evidence of the rapidly increasing interest in the provision of homes of quality for workingmen and their families at low rents, by public authorities, on publicly owned lands, and with the aid of public funds.

You may be interested to know that there are listed among the delegates present, representatives of nearly one hundred important organizations--federal, state, and municipal departments, organized labor groups, the clergy, economists, social workers, architects, and city planners; and that you all have come from some thirty-five cities.

To such an audience as this, it scarcely is necessary to visualize the hazards to health, safety, and social habits due to the existence of the filthy, dark, and thoroughly inadequate dwellings and the congested and unsanitary areas common to every section of the united States today. Many of you have had long association with the conditions of life in run-down, below-standard neighborhoods, and are fully convinced of the social importance of housing and the crying need for a vigorous and united attack upon the indecent conditions under which the lower economic groups in practically every American community live today.

The passage of the National Industrial Recovery Act marked

the opening of a new chapter in the history of housing in the United States. From a tragically long period during which the production of dwellings of modern standard and low rental had been no one's responsibility, this non-competitive field suddenly came to be the business of the entire community through its government. The people may indeed consider themselves blessed in the active leadership assumed by the President and his cabinet in a battle against the slums. In view of the splendid efforts of Secretary Ickes, through the Housing Corporation and the Housing Division, to develop housing as a public service and as a tool for industrial recovery, the program of each of the three sessions of this Conference has been related to the Administration's policies. But it has been particularly designed to serve as a stimulant to the active support and advancement of the federal housing program.

The Conference feels honored in the participation of persons who are in a position to speak with authority on specific topics. Due to the limitations of time, the various addresses are, by necessity, brief. However, we believe that much ground can be covered -- and not superficially.

We invite you to consider housing not only as an emergency construction program, but as a permanent public service as well. For some years, those of us associated in the National Public Housing Conference have been actively engaged in the organization of public opinion favorable to the initiation and development of housing programs by local authorities. We are greatly encouraged by the spirit of unity and enthusiasm, and by the seriousness of purpose, evidenced by you who are attending our first Washington Conference, as it seems to indicate the promise of a concerted national public housing movement. The creation of public housing agencies, and the willingness of public officials -- federal or local, to act, seems only half the problem. In the last analysis, the determining factor in any worthwhile social movement is united action on the part of the various elements in a community.

On every hand, there is a demand for such action. There is no time to lose. Many housing meetings and conferences are necessary. The mayor of every key city in the country should be persuaded to appoint a housing committee. The politicians as well as the people need education. Where necessary, legislation must be passed.

With such an instrumentality as a local housing authority or commission, with standards created and upheld by the Federal Government, and with the aid of public funds, surely we shall finally accept the challenge of a remaining frontier: the slums of our cities may still be razed. Good hurdles have been taken to build up confidence in publicly owned and initiated housing programs. Even a year ago, consideration of municipal housing was somewhat shunned by the average person. Today it has become so respectable that there is not much fun left in discussing it. A rapidly increasing body of opinion subscribes to the proposal that only as the local community becomes the area of responsibility for the local housing program can we hope for real progress toward the solution.

We welcome your cooperation, and urge your vigorous support in the promotion of a permanent and progressive public housing program. I sincerely hope that this Conference will serve as a call to arms for vigorous community organization in the field of public housing.

FREDERIC C. HOWE

Consumers' Counsel, National Recovery Administration

Mankind seems to move by experiment and under economic pressure in making a decision as to what things must be done by all of us together and those things which may be done by private individuals for profit. With varying degree of rapidity man seems to reach substantially the same decisions in different countries as to what should be public and what private.

Two thousand years ago in Rome the fire department was a private enterprise. It was owned and operated by Croesus, the richest of the Romans. When a fire broke out Croesus rushed to the fire with his slaves to extinguish it, but nothing was done until the house owner appeared. Then there were bargainings over how much the owner would pay to have the fire put out. Ferrero, the Italian historian, tells about how it was done. At first the price was reasonable. As time went on, however, Croesus charged what the traffic would bear. In the end the price for extinguishing the fire was fixed at such a high point that the owner accepted a small sum and turned over the property to the fire department.

Neighboring house owners whose property was in danger were also called in by Croesus. They, too, were asked to pay to see that their property was not destroyed. They, too, paid all that the traffic would bear.

Now, the net result of this proceeding was that Croesus became the biggest landlord in the City of Rome. He took possession of a great part of the city. It is hinted by the historian that the slaves of Croesus started fires in order that their master might put them out. In any event, in a short time he became rich and powerful enough to be Rome's greatest money lender, and to divide the Roman world into the first triumvirate.

Modern states recognize the impropriety of entrusting the fire department to private hands. They converted it into a public service. The same evolution has taken place as to many other services. Sewers were at one time private. They have become public. The same is true of the water supply. To an increasing extent it is becoming true of electricity, power, transportation. Health is no longer a matter of private supervision. It is universally recognized as public.

There is scarcely a state in Europe that has not come to recog-

nize that private capital will not supply enough homes for persons of small means. Russia, Austria, Italy, Germany, the Scandinavian countries, England, are building homes with public credit. Even in extremely individualistic Anglo Saxon countries this is true. And the reason is that low-rent houses do not attract private capital. When they do they are jerry-built, unsanitary. Now, private capital will not venture into this field, first, because land values are too high, second because building costs are too high, third, because taxes are too high, and fourth, because the income of the working classes is too low to pay a return on the capital cost. The public has been driven by economic forces into the field of low-rent houses. The universality of this change is proof of the necessity of viewing such housing undertakings as public utilities.

Now, there is a certain logic in public housing quite aside from its necessity, as there is a certain logic in the way it should be done. First, by virtue of their low wage scale the poor must live near their work. They cannot be commuters. That economic necessity creates high land values. These in turn make low-cost tenements unprofitable. It is high cost land, rather than building costs, that forces the public into this field. This being true, either the workers or the community which does the housing should receive for its own uses the values which this situation involves. In other words, if workers are compelled by low wages to live in congested areas with artificial land values, they should have returned to them the values which they of necessity create.

Now, New York City has recognized this by providing that the houses built to meet this social emergency should be free from taxation; in other words, that in solving this problem the city should not be forced to pay a double price for doing it. The house should not be taxed but the land should. Low-cost houses are encouraged and their rentals reduced.

Now the land adjoining model low-cost dwellings is increased in value by these improvements. The owners are permitted to profit by this social investment. As to playgrounds, parks, street openings, land is assessed to pay for this advantage which some specially benefited property owners enjoy but which is not enjoyed by all.

Viewing this problem as a city entering upon a commercial venture should view it; not only should improvements be exempt from taxation, but all land benefitted by such housing improvements should be taxed to recapture the benefit which such housing enterprises create.

A second obstacle to private adventures in this field is the high cost of credit; a credit which is much higher than in the case of large-scale adventures. Such credit can only be secured from public funds, either the funds of the city or the funds of some other public agency. Credit at three or four per cent is necessary to build such houses on a self supporting basis, and low-cost credit can only be secured when the resources of the whole community are behind it.

If we exempt the house improvements from taxation, and place an

additional tax on the land values created and if we also provide low-cost credit we can go a long way in public housing without loss.

There is a third factor in public housing, and that is the method of administration. And that, it would seem, can best be secured through non-profit corporations serving in a trustee capacity like the Port Authority of New York. Such a corporation is free from political interference. It is self-perpetuating. It attracts men who are willing to give a portion of their time to the public service. Endowed with the right to borrow, it enjoys all the powers which the community itself enjoys. In some instances the credit of self-liquidating corporations has a higher standing than that of the community itself.

There are other reasons, partly economic, partly social, which are advancing the movement for public housing. One is the consideration of health and hygiene. There are dangers in epidemics. Also the social costs of sickness and public relief. Just as we protect our water supply with the most concern, so like considerations lead us to think of similar precautions as to housing.

Public housing is not necessarily a debit account. It has social credits which overcome losses which the community may suffer. Merely on material grounds, the average large sized community is justified in the serious consideration of public homes for the low-paid worker.

Ten years ago I was in Vienna. I visited the model apartments built by that impoverished city in the years which followed the war. The city was all but bankrupt. The aristocracy was impoverished. So were the merchant classes. Few less hopeful spots could have been selected for an ambitious housing project. Yet during these years that city has built between fifty and sixty thousand model homes. Most of them were in the city, some in the surrounding country. But the astounding thing about this experiment is that the city built these homes wholly from taxation. It refused to accept the credit offered it by the League of Nations. It did this on purely business grounds. It ascertained by comparison that the city could better afford to build its community owned houses by taxation, even from an impoverished population, than it could afford to borrow the money upon which it paid interest.

If one visits Vienna today he sees dividends on every side from this investment. These model homes are the first things that are exhibited. The apartments are model in their conveniences. They have beautiful enclosed courts, with fountains. Within are public laundries, creches, cooperative stores. The apartments are cleanly. The people are proud of their occupancy. A new type of living of which the poor of Vienna had never dared dream has been made possible by this investment, which was paid for in five or six years, but which has given the people of Vienna homes for hundreds of thousands and for generations to come. If prostrate Vienna could do this for her people, America can surely do as well.

M. H. HEDGES

Director of Research, International Brotherhood
of Electrical Workers

At the outset let it be said that labor is happy to be considered an important factor in organizing the community for public housing. It may be added that labor is weary of being regarded merely as a problem. Men do not speak of the doctor problem, the lawyer problem, the teacher problem, but invariably refer to labor as the labor problem. Labor is ranked with liquor, housing, crime - all abstract and inanimate things - when labor is a vital, living, pulsating movement of normal human beings toward better things. As such it is a social agency capable of taking a part in any important community enterprise.

Secondly, labor understands itself as a consumer almost as well as it understands itself as a producer. In those nations where consumer cooperatives and consumer social agencies have been built up, labor has readily passed from the role of productive agent to the role of more or less active receiver of goods. One of the significant facts about the work being done by the National Public Housing Conference is that it is stimulating the beginnings of consumer consciousness in the great fundamental shelter industry.

In the third place, labor has a warm interest in housing promotion of any type inasmuch as it means work, food, clothing, shelter and regained self-respect. When production ceases or lags, labor as the producer becomes a charge upon the community.

About 1,500,000 men seem to be a fair estimate as to the number of workers attached to the building trades in good years. Fully one million of these are now unemployed. The Research Department of the American Federation of Labor has published monthly data on the degree of unemployment among union members for the past six years. These figures indicate that unemployment in the building trades group has been about twice as severe as it has been for the total membership in trade unions affiliated with the American Federation of Labor, and more extensive than in any other group. In 1929, 12 percent of all trades were unemployed, but 25 percent of the building trades were unemployed. In the first seven months of 1933, 33 per cent of all trades were unemployed, but 69 percent of the buildings. It is a conservative estimate to declare that unemployment in the building trades has reached a figure from 56 percent to 67 per cent. In some of the local unions of the International Brotherhood of Electrical Workers 80 per cent of the men are now unemployed. In the face of conditions like these with labor a charge upon the community, is it any wonder that labor turns to social housing hopefully -- almost prayerfully?

Now in the fourth place let it be recorded that in the field of housing more than anywhere else, the paradox of wages is most apparent and most active. Here more than anywhere else the awful nemesis involved in the wage situation rises to confront shallow thinkers and anti-social leaders.

When the government lent money to clear a certain block in New York City known as the "old lung block," 386 families were vacated. What is to become of these 386 families? Are they going to be moved back into the new modern apartments now being erected by aid of the government? No, 83 per cent are too poor to secure anything else but the old uninhabitable tenements. The slums are removed but the slum dwellers appear to go on forever. They sink a little lower in the social scale and trail off to other sections of the city where the death-dealing tenements are still hospitable. Why? For the simple reason that the wages paid the breadwinners of these 386 families can not enable them to even purchase low-cost housing built under government sponsorship as a social project. Low-cost housing as well as moderate cost housing as active social agents contributing to social well-being depend inevitably on the paying of a livable and cultural wage for the great mass of American wage earners. Labor's high wage theory underlies the philosophy of NIRA. This philosophy contains an awful nemesis when not rightly applied. And may we add that President Roosevelt, Secretary Ickes, Secretary Perkins and Dr. Isador Lubin have done everything humanly possible to apply the high wage philosophy rightly in the case of public works.

Finally, organizing the community for public housing suggests organizing the community in the larger sense of building a better social order in competitive, individualistic, racketerring America. The ingredients for such a social order are:

First, consumer cooperatives such as the National Public Housing Conference intends to stimulate.

Second, a government, social in its objectives, unafraid to baulk selfish, private interests and to stand for forgotten men.

Third, an impregnable labor movement with social vision; and

Finally, a fusion of these three agencies in a great campaign of social education. They might choose as a slogan "Comfort in every home."

We can have the kind of life that we want here in America, but we can't have what appears to be a decent life without these four objectives realized and attained. Slum clearance, and low-cost housing are a beginning of such a new order. Labor must and will support them.

DR. EDITH ELMER WOOD

Research Worker, author and
Housing consultant, Advisory Board on Housing

Whatever the undertaking, it is a good idea to begin by making sure of the basic facts. This is especially true when the undertaking involves venturing into regions as uncharted as public housing in the United States. And when, as in this case, a fairly far-reaching change in American governmental theory and practice is involved, we not only need the facts to guide our action, but we need them to educate public opinion in order to take it along with us, step by step.

The purpose of a public housing authority, as developing in the United States, seems to be to clear slums and to build houses, on the site or elsewhere, for families of low income.

Before trying to establish one in any particular community, it would seem desirable to make sure whether slum clearance is needed in that community. That means finding out where the bad housing is, what kind it is, and how much there is of it. If an outlying small house district has a bad health record because of surface wells and cess-pools, the remedy lies in having the city put in sewers and water mains and obliging the owners to connect. If repairs have been neglected on otherwise good houses, it is better to have a spruce-up campaign than to tear them down. If there has been lax enforcement of building or health laws, stir up the authorities to better enforcement.

But if houses have been built on narrow courts or alleys, if they have been built too close together, or if they cover too much of their lot, there may be nothing but demolition which will let in the light and air. If the houses are so old and have been neglected so long that it would cost more than they are worth to repair them, it is in order to tear them down. And where they were only makeshift shacks in the first place, there is nothing to repair.

Beside these facts about the houses, we need facts about the people who live in them. How many are there? How many children have they? What is their race? What are their occupations and incomes -- now or normally? What rent are they paying now? How many of them could pay how much more for better housing -- now -- with their normal income restored? Do they need to live where they are to be near their work? For any other reason? How many would move where more open space could be had? How many would like a subsistence homestead?

So far as we have been concerned with data to be gathered in a field of study. There are also a number of facts to be dug from existing records. The tax assessor's office will show the assessed valuation of land and buildings on every lot in every blighted district which may be considered for clearance. These figures will have much to do with the financial feasibility of a project. It is also

necessary to know who the owners are and how many they are, what the mortgage situation is, and how many taxes are delinquent.

From the Health Department's vital records, can be learned how the general death rate, infant death rate, tuberculosis rate and other measures of health in the proposed clearance district compare with the city average.

From the Chief Probation Officer of Juvenile Court records, can be gleaned the delinquency rate in the clearance district as compared with that of the city.

The ratio between what the district pays into the city treasury in taxes and what it costs the city for streets, fires, police, schools, and other services, is a good thing to know. And the cost of its excess sickness and excess delinquency may also be calculated.

All this implies a fairly elaborate social survey, but in these days of CWA workers for worthy projects, the ways-and-means obstacles are nowise insuperable.

Never forget the need of keeping the whole community informed of every step in your fact-finding and interested in every decision reached. Have meetings and broadcasts. Line up business men and labor, women's clubs and welfare groups. Enlist the aid of the press. And, finally, remember to share your facts and your councils with those who have most of all at stake, -- the families who live in the worn-out houses you are trying to demolish and who -- if your work is successful -- must also be the ones, by and large, to live in the new homes you are going to build.

CHARLES S. ASCHER

Director, National Association of Housing Officials

I am happy to have an opportunity to tell the National Public Housing Conference about two other organizations recently created which exemplify the breadth of front upon which the public housing problem is being attacked. This Conference represents the active citizen interest which is promoting the cause, which has already led to the establishment, mostly within the last year, of fifteen official state boards responsible for the supervision of limited-dividend housing projects. Four states have gone further and authorized the creation of public bodies to construct and operate housing projects. In Ohio, there are already Metropolitan Housing Authorities in Cleveland, Cincinnati, Toledo, and Youngstown. Milwaukee is undertaking a direct municipal housing project.

These officials have realized that the only way they can rapidly accumulate a body of experience in this new field is to share and exchange their brief experiences. They are faced with unsolved administrative problems, and are eager to have help. Accordingly, eighteen

representatives of ten such official agencies -- federal, state, and local -- met in Chicago last November and organized the National Association of Housing Officials, of which I happen to be the director. It has established its secretariat in the same building as those of a number of similar associations of public officials -- mayors, city managers, welfare workers, legislators, finance officers, and others -- all of which are dedicated to the improvement of public administration, the development of scientific standards in their fields.

At the outset NAHO (to adopt the universal alphabetization now current) is being called upon to aid in legislative drafting, to see that further laws for the creation of housing authorities provide a workable scheme. We apparently have the confidence of the Housing Division of PWA, and are able to interpret to local groups the ideas which the federal agency deems desirable. We have been asked to help in New York, Illinois, and South Carolina, and shall be glad to render similar service elsewhere.

In addition to maintaining a headquarters in Chicago for the dissemination of information and answering inquiries, we are in a position to offer a consulting field service: to send competent technicians to advise with local official and unofficial groups not only on legislation, but on the assembly of facts to guide a housing program, and the organization and administration of public housing.

We like to feel, too, that we are preparing for the problems which will inevitably shortly face these public officials, when they get beyond the questions of land assembly, design and finance which now preoccupy them. There will be, for instance, questions of tenant selection, and of management. The problems of operating a low-cost housing project under public auspices are entirely different from those of ordinary real-estate management. The work calls for knowledge of the usual operating techniques -- how to save fuel, how to redecorate economically, etc.; but also for an understanding of human problems which we ordinarily associate with the welfare worker. If the Joneses cannot pay rent, the housing manager cannot dispossess them; he (or more likely she) must go over the family budget, perhaps find a job for the wage-earner. We hope to aid in providing training for these novel tasks, and to serve as a clearing house for personnel in this and other aspects of housing administration.

We feel that we do not compete with the National Public Housing Conference; rather that we supplement your efforts, by coming in where you have cleared the way.

The other organization of which I should like to tell you briefly is also starting in Chicago. It is called the National Association for Better Housing. It represents an attempt on the part of the building industry (or industries) to orient itself toward governmental action for low-cost housing. Some of the more enlightened members of this industry foresee a long course for governmental activity in this field; they want to inform themselves on the new problems raised, to represent

the business man and manufacturer, and perhaps contribute his practical knowledge to the solution of the problems. The particularly interesting point is that the NABH has on its Governing Council and Executive Committee not only outstanding representatives of the lumber, cement, plumbing, heating, brick, and other industries, but the president of the National Conference on City Planning, the director of Public Administration Clearing House, the president of National Association of Housing Officials, and students of urban sociology and land economics, who can interpret the social problems of housing to the industry.

I think that the National Public Housing Conference should know of these sister organizations which stand ready to aid in the work of the Conference, and to supplement your efforts; and I thank Mrs. Simkhovitch and Miss Alfred for the opportunity to tell you something about them.

DR. SIDNEY E. GOLDSTEIN

Chairman, Executive Committee, Joint Committee on
Unemployment and Chairman, Social Justice Commission
of the Central Conference of American Rabbis

The technical opinion of the Comptroller General must not stand in the way of the housing program of the Federal Government. For over a generation we have been working and waiting for a program that would end the disgrace of the slums and provide the working people of America with suitable homes. In the beginning we were told that private enterprise controlled by tenement house legislation would achieve the purpose. Private enterprise failed miserably. Later we were assured that the limited dividend corporation would accomplish what we sought. The limited dividend plan has failed to fulfill our hopes. Now at last the Government has come to see that we can wipe out these breeding spots of disease and crime and vice in our cities and construct homes for our people, only through Federal aid and Federal control.

The Federal Government must be prepared to do more than organize a corporation, and to aid in the establishment of housing authorities in the different states. The housing program will require at least four things: land, material, men and money. The money the Federal Government is prepared to advance in part as a gift, and in part as a loan. The men are more than ready to go to work. The material and the land, however, constitute serious problems. It may become necessary, and the government should be prepared for this, to commandeer material and to take possession of the land. The Government possesses the right of eminent domain, and may seize whatever property it believes to be necessary to further the housing program. The Government however, must not permit itself to be exploited by the real estate interests, who would be only too glad to unload upon

the city and the state and the nation at exorbitant prices, the land that they at the present time cannot sell for any price. The housing program must not become a means of enriching real estate speculators, and the equally criminal speculators in building material.

The housing program more than any other project, will help to solve the problem of unemployment. Directly and indirectly, it will put to work a larger number of men than any plan now proposed by the Federal Government and the Public Works Administration; but in developing this program we hereby caution the Government of the United States that we are engaged in civil work, and civil administration. We want no military control, even by military engineers. In developing our building program and public works, we must insist that the workers must not be militarized. The Public Works Administration should be in charge of civil authorities, and not agents of the military machine. Waste and extravagance and corruption are in themselves not sufficient to justify martial law.

EVENING SESSION

Subject: HOUSING AS A PUBLIC SERVICE

Authority - Land - Plan - Money

MRS. SIMKHOVITCH, Presiding

ROBERT D. KOHN

Director of Housing
Public Works Administration

Whatever may be your individual problems in any particular city we must have a conception of the problem in the country at large.

I have had, and I am sure the others of the staff will say the same thing, a remarkable experience in the four or five months that we have been at work at this problem. It has been an education to me, and I speak of it particularly because I consider the whole problem of housing in this country as an educational problem, not only for the people in the various communities but for those who are engaged in trying to solve that problem.

I am entertained sometimes by people who come in and tell us that they know the answer. It isn't one answer. It is a hundred different answers, and every new solution that is offered opens the door, unfortunately, to a half-dozen more problems. There are the different racial groups, the different ways of living in different sections of the country, the different economic groups and their problems, the different sizes of families, the different income problem.

There has been filed with us a remarkable series of studies, studies in city planning, if you please, oriented as I imagine very few studies of city planning have ever been oriented before in this country, because they are worked out in almost every case in terms of a particular need instead of, as many of us know, the kind of studies that have been done in the past, principally turned toward the problems of traffic or clearing certain city areas where the congestion of traffic makes it a problem.

Thirty or forty cities are hard at work, perhaps fifty, at the present time studying the housing of their communities and studying it in a way that is extremely interesting. We have the problem in one city of Mexican labor, with the particular type thing they need; in another city it is the Negro problem. In the entire South it is the Negro problem. We have the packing house workers in certain cities of the West, in certain foreign groups, and we have white collar workers in certain other places. Everywhere we find the attack

has to be different, and as I say again the high land cost problem is very rare, perhaps at most in three cities.

The solutions offered are frequently rather sketchy. We are learning we have to teach and we know -- I say I know -- comparatively little about the subject. The longer I am in it, the more I realize we have much to learn. We try to be helpful. We frequently almost design the problems that are brought in, in an attempt to find a solution on the financial side.

Someone remarked at lunch today, that we needed to get down to the \$6 room. I am happy to say that we have three or four cities that have offered projects which propose rents lower than that. Some of them are sound, some of them propose things that we know are not sound, but between the \$4 and \$6 range, somewhere between \$4.75 and \$4.80, we are convinced it can be done on cheap enough land, and in those cases the coverage is not more than 34 or 35 per cent, in one case a little over 30 per cent. We are getting plans in which play space is provided, as it should be provided in our opinion, close to the houses, the smaller play spaces, so that the smaller children are well within sight of the mother if she happens to be in her apartment or her little house, with the larger pools and play space in between the groups of buildings. There is a lot of excellent thinking being done on this problem and it is being applied directly toward a constructive plan.

It isn't any longer a theoretical consideration of an imaginary project. These are real projects that are being worked out, whereas we have been held up, we haven't done what we had hoped to do by this time, I think things are under way and are likely to get moving, at least we hope from day to day that they will. At any rate, the preparations are well under way, and as soon as we are let loose by the difficulties of our situation we will be going ahead and helping others to do the same.

Now directly I want to speak of one or two points, and one in particular. We want to produce low cost housing, we want to have the cities interested in it, but is the production of the housing the sole aim? I feel that the housing is a means to a greater end, and that greater end is the rehabilitation of families, the lifting up of the level of living of families. The housing an end in itself immediately, clearance of slums, bad districts, blighted areas, but the housing a means to a greater end. And if we are to achieve that greater end, that is to use the housing in the best way for the people for whom it should be reserved, we have to train a new kind of manager.

Those of you who heard Sir Raymond Unwin when he was here know what emphasis he puts on the management of the training of the squads they have in England, the rent collectors who are the social workers in these housing projects. He described very interestingly this group of women trained to a new profession. He said their first training was in accountancy and ordinary business methods, but their other training was the training of somewhat of a new kind of social worker, because when they collect their rents once a week these rent collectors become

the point of contact between the city as it were or between the social purpose for which the housing was built and the tenant. The rent collector becomes the friend of the family, the advisor in all sorts of matters, of health, of employment, and in things of that character.

We have nothing of that kind in this country, or very little of it, and we need to start something of that character. We need training of squads for this new profession, because it is only through some such means as that that I feel that the housing when once built will be used in the right way. If it is simply handed over, as an ordinary building would be by a renting agent, to the tenant that is best able to pay the rent, if it is simply considered as a business proposition and open to anyone who cares to live there, we have utterly failed in our purpose. At least I feel that to be the case. It isn't the family that can best pay the rent. It is the family that most needs to live there and that can be helped to pay the rent.

In one city where some very low cost housing has been done by a certain philanthropy I heard recently that 80 per cent of the application for this housing when it was finished had to be turned away, not because they weren't good enough but because they were entirely too good from the economic point of view. Their incomes justified their paying a commercial rent in a different class of accommodations. We must guard against that by all means.

We are faced with serious problems particularly in the Public Works Emergency Housing Corporation in cities where no housing authority exists, no legal power exists in the city or county to construct housing and be responsible for it. In that case we have somehow or other to find a piece of machinery in the locality which can manage this housing in the spirit which I have just described. I think we will find a way.

I have been asked a number of times how that was to be managed. We will have to create some local group of socially-minded people with a real conception of what this housing is to be used for and with an ideal about it, not just window dressing, but high minded people who are willing to give time to it and to form some sort of a non-profit corporation. I hope the Federal Government will perhaps be able to turn over the management, to lease the housing to some such local group, non-profit corporation, so that it will be managed in the interest of the people in that town and by the people in that town in a way that I am sure the Federal Government and the Central Agency in Washington can never do. That is another problem that we have to meet.

I want to say just a word on the question of land costs. I don't want to enter into a discussion of what the duty of the city is or the duty of the nation to clear up the slums when the land is high in cost. That is perhaps a question for others to decide, but I should like to point out (I think my figures are correct) that if you had \$4,000,000 to spend on a housing project, and in the one case

the land on which you were to build cost something less than a million dollars and you had \$3,000,000 to spend on the buildings, and in another case you paid three times as much for the land, \$3,000,000, you would have only \$1,000,000 worth of buildings. If you paid \$3 a square foot in some great city for your land, and consequently a million dollars for your land, for 330,000 square feet, you could put \$3,000,000 worth of buildings on it. If you paid \$9 a square foot you would be paying \$3,000,000 for your land and only \$1,000,000 for your buildings. In the first case you would have three times as much housing for your \$4,000,000 as you would in the second.

What is our purpose? Our purpose is to get low cost housing and as much of it as we can. Do we want to buy land, or do we want to get low cost housing? I think if the accent is placed on low cost housing, whatever happens it must be low cost housing. In one place it will be one price; in another place another price. We are getting these projects I said in the first instance, which show a rental of somewhere between \$4.80 a room to \$6.50, let us say, depending upon varying conditions. We are getting admirable projects where a social scheme has been worked out.

I want in closing to describe one of these. In a certain city a Negro project, which comprises a very considerable area, has been thought out by the Negro University close to the project as a problem in social reorganization. The families now living in this slum area are being studied, what their earnings are, what their skills are, how many of them there are, where they are to live in the interval while the slum is torn down, how many of them can come back to this area, how many of them can afford to come back, how many of them shouldn't be living in the city at all, haven't the skill, the knowledge, the background that will enable them to earn their living in the city, should be moved out to subsistence homesteads in the suburbs, to a farming region if they have a farming background, and then for the families that are to live there after the projects are completed, how many old couples that want just two rooms with bath, how many larger families that should have larger accommodations, how many young people perhaps in two-story apartments; what can we do in building these projects to help these people to render community service which they might reasonably perform? There is the common laundry. Instead of these women taking this laundry into their own places to do it, do it in a common laundry where for a few cents a day they have the use of a washer, a dryer and a presser. We can have a day nursery where they can check the children while they are working in the laundry and where the women that go out and work by the day can leave their children either in this day nursery or a lower grade school has been suggested there. A garage where the men could repair their cars themselves or take in outside work. A workshop connected with the garrage where men out of work, possibly after the Liverpool and Manchester experiment, may do repair work or learn some skilled work from another worker. We have done so little of this sort of thing in this country.

There is a project in this particular city that is being worked out in terms of a community. What can best be done for that community.

It seems to me that the most encouraging thing that has happened in these five or at the most six months since the work was started under the NRA is the fact that throughout the country, in city after city, groups of citizens are getting together with their city planning boards and with the city officials and studying the problem from the practical point of view. No longer are there simply statistics with regard to the misery of these people. What can we do, the question is being asked, to do something for these people that is economically sound? And economically sound now means something else than it meant before, because more and more people are realizing, as someone said at lunch today, that these areas are an enormous expense to the city.

We are beginning to get figures; I wish we had more of them. Someone reported that in a certain area it costs three times as much to operate as can be collected from taxes. We have reports from the officials of certain cities that the slum areas are costing ten times the amount that is assessed for taxation. That is the kind of financial statement we like, because after all the Federal Government, as Mrs. Roosevelt or the Secretary of the Interior said today, cannot do this work throughout the country. It can only begin the projects and in the long run the cities must take it up and feel the responsibility for it and feel that it is a measure of municipal economy. It has to go on.

We are not discouraged, we are very much encouraged. We are encouraged by a meeting of this kind, by the serious consideration that is being given to this subject, and I hope you have patience, just a little patience. I do not think that the housing problem, or that low cost housing and slum clearance should properly have been considered as an emergency measure to put men to work quickly. We made the effort. Perhaps through our fault it failed, but it did fail. We did not get men to work quickly.

The problem of clearing out our cities, of making decent living conditions for our people is a long-range problem to be considered in terms of a long-range plan that is to go on through the years. We must start, we must learn by doing some of the things. We will probably make grave mistakes, but we must do something. We can't wait for years and study and study before we do anything. Let us do these things, but every one of them should be a step forward in the direction of learning how to do them. They must be demonstrations, but steps in the process, a long-range planning every one of them must be considered in every city, not as a little piecemeal thing. Here is a dirty slum, let's do it here. Perhaps that isn't the place to do it at all. Perhaps that ought to be allowed to go bad. We know in our department now from four hundred and fifty projects that have been presented to us there are an infinite number of them where no housing should ever be built even if they are slums.

If the slum exists in a place which cannot be made into

decent housing because of its location, if it is in the bottom lands, or in a place where the smell of factories and worse things come across (such projects have been presented to us within sight of a dump or incinerator) it doesn't matter whether it is a slum or not, let us make the cities use the power they have and close these rotten buildings. What right have they to come to us and say nay? They come to us and they say, This is expensive land, but look at these slum conditions, these miserable conditions, nobody should be allowed to live there. All right, use the power of your board of health. We dare you to do it! Go ahead and do it! No city comes with clean hands that says that we shall pay three-quarters of our money that we have for housing for land when they have allowed these buildings to stand there for years. That is the challenge we offer the cities. We are ready to help, but close your dirty, lousy houses and then we will help!

IRA S. ROBBINS

Counsel, National Public Housing Conference

I think the average person isn't particularly interested in legislation. He knows what he wants. He wants slum clearance and low cost housing, and he says, "Give us the bill and let's go ahead." Unfortunately we are entering upon a stage of governmental activity which is so new that we need legislation. Cities are the creatures of the states. Their activities are limited to what the states have permitted them to do under their charters, and when we try to see what a municipality must do in order to accomplish the end in which we are interested, we see that cities must be given the power to investigate into living conditions, to prepare projects, to acquire the land either by purchase or condemnation, to actually build either by the city or some staff that it sets up or through contractors, and then to manage and operate the projects, again either by itself or through some form of public limited dividend corporation.

Cities must be authorized to do that, and in various states in this Union various people are working and arguing over the so-called bills. The other day we finally sent up the proposed New York bill to Albany. We had been working on it sometime. We prepared several printed drafts and finally the printed draft dated January 22nd went to Albany. I asked that the bill be sent to me as soon as the Legislature had printed it, so that I could compare it. It came down yesterday morning, and I faithfully set to work to read, line by line, every one of the twenty-three pages, and it was quite satisfactory. I found only one mistake. Somebody had put in a semicolon in a place where we had not put in a semicolon, and it was a rather vital spot. It was the paragraph which we had the most trouble formulating.

So I had the pleasure of calling in a stenographer and dictating this telegram to the senator who introduced it: "Extremely important to omit semicolon on page four, line twenty, before passage of bill." I sent a copy to the Governor's counsel, and then I confirmed

it by letter to both the Governor's counsel and the senator and then, fearing that possibly the bill might conceivably go through the Senate before I knew it, I telephoned Albany to take out the semicolon.

Now many people have the idea that legislation involves such things as words and semicolons, and it does. A carefully drafted bill is of extreme importance. But in the case of housing legislation, the lawyer must be more than a mere draftsman. He must be somewhat of a philosopher because there are questions of policy that must be settled now, so that the obstacles which might otherwise arise can be avoided, and here are some of the things that lawyers who are at work on housing legislation have to consider.

In the first place we are all getting accustomed to hearing talk about housing authorities, a sort of public corporation distinct from the state or city and yet having some connection with it. There are very good reasons why we have those housing authorities which are controlled in part, certainly, as to the selection of members, by the cities, and yet which are not controlled by the cities, and some of the reasons are these: In the first place, a housing authority, being a separate corporation, does not involve the city in relation to its debts or bonds or contract obligations. In other words, if the authority falls down in any way, the city is not financially obligated, although it might be morally, to undertake to remedy the condition. That is extremely important at this time because cities are in precarious financial condition and cannot undertake new obligations.

In the second place, operating through a corporation facilitates and expedites the business of housing. You can imagine -- and I am frankly sorry for the cities that are adopting this policy -- the troubles of a housing group or division that must submit a project to the common council or the board of aldermen or any other local legislative body. The bickerings that will go on, the red tape that will also be involved, the arguments as to whether or not the windows are the proper height or size in which aldermen who know nothing about housing will engage, is simply too bad to think about. And operating through a housing authority will at least limit a good deal of the pressure that would otherwise be brought upon public officials by people who have some interest in a particular way in which a project should be carried out.

Finally, and here is where perhaps my social service or civic background gets the better of me, I have the idea that by operating through housing authorities we at least have the chance of keeping housing free from politics. Certainly if we dump it into the lap of the common council or the board of aldermen we know that we are throwing these matters into politics. There is the chance that a tradition may be established in some cities that housing is to be free from politics, that the men are to be given terms, the members are to be given terms which will not expire with the terms of an administration with each election; so that there is a possibility that men

may be appointed in the beginning who will know something about the subject, who will learn something about the subject, and who will still be in office after one administration goes out and another one comes in.

Some people tell me I am not particularly realistic about that; that simply forming a corporation and having these overlapping terms isn't going to solve the problem. I admit that I don't know, but I do say that housing authorities, given that opportunity, if the public gets heated up about it and insists that these authorities are something in which the politicians are not to play ball, there is that chance.

Very serious questions of policy arise in drawing up bills. Each group in the state is interested in seeing that its particular interest is protected. People who own real estate, or people who are interested in the labor movement, and the contractors who want to make sure that the contracts are going to be spread out in the field, each want clauses in the bills to protect their interests. Now, generally speaking, I believe that the question of housing policy should be omitted from a bill. In other words, in this new field a competent housing authority should be given the opportunity to work out its own problems. We shouldn't decide ahead of time by putting into the law just where a housing authority is to build, just how much it is to build, just how high the rents can be, whether or not they should use their own staffs of architects or outside architects, et cetera. For that reason it is desirable to let each of these questions of actual technical policy be decided by the authority itself. Once you begin to embody in the law definite policies, in the first place you might have to wait until the legislature convenes a year later to correct the mistakes and, secondly, you get a bill which is a hodge podge, and which results in giving little points upon which those who are opposed to the entire program can bring some sort of a legal action on the ground that the authority is attempting to go over the bounds or the restrictions enumerated in the law.

Despite the fact that we don't approve of the restrictions because they are restrictions on operations, very often lawsuits aren't brought but the authorities will not take certain action, will not undertake projects, because they are afraid that somebody will bring a lawsuit. Despite the fact that these restrictions should not be incorporated in the law, there still remains the question of whether or not housing authorities should be unlimited in their power. By that I mean, should they be subject to any supervision or control. We are not very much concerned about that at the present time, because we know that when the money comes from the Federal Government there is very definite supervision and control. Practically nothing can be done without the consent and approval of the Housing Division here. But it becomes a question of principle and it will become increasingly more important in the future when the Federal Government is not lending the money and when the money is raised by bond issues or by the authorities themselves. Then you have the question of whether or not an authority is going to be permitted to buy land wherever it wants to and put up any kind of housing it wants to. There are two schools of thought there. One is

that if you give some sort of a supervisory body, like a state housing board, such as exists in New York and as exists in other states, the right to veto the plans of any authority, you will not only have red tape but you will have antagonism, you will have divided responsibility, you will have a shifting of the blame from one group to another and, therefore, this one school of thought says, "Leave it to the authority and let it make its own decisions," and another school of thought, to which I belong, is that eventually, where there are non-federal projects in the beginning at least state housing boards should have veto power or control over the actions of the authorities, and I say that because I feel that even the best intentioned authorities are going to make very serious mistakes, and that a central body, which can gather experience from all the cities in the state and which can benefit by the experience of those cities and give those cities its own experience, should be in the picture.

There will not be that haste for speedy work that exists now, and it will be the conservative course in the interests of better housing to have two heads instead of one. I say it purely from the point of view of better housing, because I feel that if you let the authorities embark upon an unsupervised theory, you will lock the stable door after the horse is stolen, after the mistakes are made, and after the politicians have discovered that municipal housing is the glorious heaven that they have been looking for for many years.

In closing I want to discuss two points that have been mentioned already. One is from the legal point of view. There is need not only for the enforcement of laws relating to what constitutes uninhabitable dwellings, but a need for strengthening those laws. We have a very vague idea of what an uninhabitable dwelling is, we can't define it, but we do know that there is decided room for a stricter definition of that term, certainly when we consider that in New York State and in other states rooms without windows can still be used for living purposes, they are not illegal and the authorities have no authority to come in and close them now, and when we know that families still have to use toilets in common, either in the yard or in a hall, we know that the law doesn't go far enough in that respect and that it will have to go farther very soon.

The other respect where the law must play an important part in the future is the condemnation question. There is again a lack of definition of what constitutes the value of land. There is a discrepancy between what we call the assessed value of the land and the fair market value of the land. Then there is always this worse discrepancy between the fair market value of the land and the price that is actually awarded by the courts in condemnation proceedings. We have to consider very seriously whether or not we are going to go as far as England does, for instance, when it says in taking over land occupied by uninhabitable buildings, "This land is worth so much for housing purposes. We don't care how much it is worth for business purposes, we don't care how much it is worth for speculation purposes, we don't care if fifty years from now it is going to be a

beautiful boulevard, this land is worth so much for housing purposes and that is how much we will pay for it."

Secondly, the question of condemnation administration is probably the most important question which housing authorities will have to face. I venture to say that a year or two years from now we will be having meetings of this kind not concerned with the general subject of public housing but concerned merely with condemnation, we will have morning, afternoon and evening sessions, and I will offer as a suggestion to the Federal Government and to all housing officials that now is the time to start a united effort to inquire into the modes of improving condemnation laws in the United States, and let's not wait until we discover that we have paid ridiculously high prices at some time in the future.

Of course, changes in the laws are not brought about primarily by lawyers or legislators. They are brought about by strong leadership and a good deal of public education. I will say, and I bow to Mrs. Simkhovitch, that there has been strong leadership connected with the birth of municipal housing; and I will say, and I bow to Miss Alfred, that there has been a good deal of public education connected with the birth of municipal housing. And I want to say in closing that strong leadership and a good deal of public education which has brought about the birth of municipal housing will bring about the changes that will make municipal housing a success.

BENJAMIN C. MARSH

Director, The Peoples Lobby

A few weeks ago I had a talk with Mr. Robert D. Kohn and he told me a whole lot about this housing program, off the record. Last night I read it all in Collier's in a story by John Flynn, except for two or three things, and I am not going to quote to you what he said because he said he couldn't answer the questions. I asked him what proportion of the people in America who cannot be decently housed under present commercial systems of housing are going to be provided with decent housing at prices or rents they can afford to pay under any project which the Housing Division has in mind. He didn't answer. Perhaps he will before this meeting is over.

It was twenty-seven years ago, that we started in New York and recommended that the city officials avail themselves of the powers given them under the charter of the city and close these insanitary tenements, these disease-breeding tenements, and they didn't do it. It may be there is more than one reason, and I discuss this because if you are going to figure how much money you are going to need you have got to know whether you are going to do, as I regret to say we have done over the opposition of Mr. Ickes, Secretary of the Interior.

We have been subsidizing land speculators all over the country.

You can't do that and provide cheap housing. Of course, there is one consolation, ladies and gentlemen, that 99 3/4 per cent of this debt will probably never be paid; maybe 1 or 1/2 per cent will. But we are talking about the immediate future. I belong to the old school of economics. I studied economics in the days when it was a science instead of an art, as it has become recently, an art of having a job in the New Deal. I even studied John Stuart Mill. This has a bearing on this, and it has a direct bearing. John Stuart Mill said that is the best kind of government which makes it as hard as possible for people to do wrong and as easy as possible for people to do right. That has gone out of fashion. I have no panacea.

That wicked Tammany Senator, Big Tim Sullivan, put in the bill to exempt improvements, to gradually transfer taxes on improvements in New York to buildings and land values. It was defeated, because New York city for the last fifty years has been run by a land speculating banker combine which still has it by the throat, and you are never going to get cheap housing by that method, while they are in control.

It isn't the job of the Federal Government to pull corrupt and cowardly city administrations out of the hole. They have got to do it themselves. I am awfully sorry if you folks down here from New York feel so badly. It reminds me of a story about Abraham Lincoln. A bunch of fellows came down from New York at the time of the Civil War. They said, "Mr. Lincoln, we have so much wealth in New York, and we are so afraid the Southerners are going to attack us, we wish you would build a few battleships or cruisers and protect us." Lincoln said, "Well, if you fellows are half as rich as you say you are and one-quarter as scared as you say you are, go and build your own cruisers and protect yourselves." I am not making any application. I am just pointing out that you can't provide cheap housing under the present system.

If you had a decent taxing system and if you had honest administration, if both city and state taxing systems were honest and efficient, I would say that about a two million dollar fund ought to meet the worst of the housing situation, but you can't pay two, three, four and even seven dollars a square foot for slum land and get away with it. Now, of course, you have an awful situation in New York. The papers don't dare tell about it. I don't blame them. Eight billion dollars of bonds out on mortgages and bonds, about three billion dollars guaranteed, and the highest reserve I believe is 10 per cent and the lowest is 2 per cent. Of course, you are busted and you deserve to be in New York and Chicago deserves the same thing.

Now the only question is, is Uncle Sam going to continue to spend money this lavishly? Yesterday I analyzed the proposed new revenue bill compared with the budget for this year, and, if you please, on the married people with incomes from \$10,000 to \$1,000,000 net they have reduced the taxes. That is the principle of ability to pay we have heard about on the platform. On the single fellows they have increased it one-half of one per cent, but practically nothing, and

under the income tax we raise one-eighth of all the money we are going to raise this year and one-twenty-fifth or a little over 4 per cent of all we spend.

Now you are not going to get any money for housing, whether dirt flies or words fly on Capitol Hill, until you get right down to dots and realize that you don't need that bunch of people you have in New York. Of course, you have an expensive job if you try to house people where they should never be. It is out of the question to do it. Don't think that the rest is going to stand for it.

I am glad the Tenement House Commissioner is here tonight. I hope he will close those insanitary tenements and keep them closed, and then I am sure that Mayor La Guardia will go to Albany and ask for power to stop taxing intelligent people who put up decent buildings, and tax those who Mrs. Roosevelt made clear today are primarily responsible, the gamblers in land. There is no other way out.

I don't want to be disrespectful, but any time that the President wants to take a vacation I nominate not Jack Garner but Eleanor Roosevelt to take his place. That is just a suggestion.

Two billion dollars will do a lot, but you have got to start pretty soon and there are other factors. The cost of living is going up. I was always weak in mathematics I concede, but it strikes me there is a factual fallacy in assuming, as the Administration does, that you have got to increase the price level 40 per cent without increasing the prices. I just can't see how it is going to be done. I have lain awake nights, trying to figure out how you could raise the price level 40 per cent without increasing prices, and to be frank, the effect -- mind you I don't say the intent, I am getting diplomatic -- of the NRA is to increase prices 50 to 100 per cent.

You are not going to get very far with two billion dollars until you stop the building code graft and the cement and lumber and steel combine which today keeps prices up. It is a complicated problem. It will be a good starter, but we mustn't do, as we are doing up to date in this recovery program, make the poor pay for the starting. It may sound all right, but I have been in about thirty-eight states speaking in the last few months and I know things are not just what they appear to be. You can't continue the present system and house people reasonably. I don't say you are going to change it. We tried this thing twenty-seven years ago -- Mr. Kohn's speech tonight was as good as I made twenty-seven years ago.

In Europe they have tried this same gag. Just twenty-seven years ago, the summer I went to New York, I went to the first housing congress in England, the International Housing Congress, and I learned there what they did in their so-called municipal housing that was self-sustaining. They may have learned it from Tammany or Tammany may have learned it from them. They paid a certain amount for the land and they figured out on what valuation they paid for the land for housing they could report a return for the rent they wanted to charge, and they wrote

that down as what they paid for the land and made the taxpayer pay the balance. No wonder they are having hard times over there. That isn't honest.

We can't beat economic laws. We have been trying since the fourth of last March to do it, and now we propose to put the Army in control so we won't realize what is happening.

DR. LEIFUR MAGNUSSON
Executive Secretary,
International Labour Office

After the eloquent, fiery speech of my friend, Benjamin Marsh, I think I have been well chosen for this gathering. If I may permit myself to indulge in a little of his economic speculation (I am not sure that my friend, Ben Marsh, thinks there is any use for economic speculation, although he confessed a strong faith in economic laws of a kind) I have a few remarks to make upon this question of interest in relation to housing. I think I have the evidence and justification of the conclusions to which I shall come in the few words that I shall say in a most extraordinary document that has just been issued by the Department of Commerce. That is the report on the income distribution of the United States, in which you will find the way in which the different classes and kinds of income in the United States have contracted during the period of the depression.

Income as a whole is down 40 per cent. That is not so significant because that has a revaluation and we might be just as prosperous with 40 per cent less monetary counters as we might have been with 100 per cent four years ago. The significant thing is the disparity that has happened in the different kinds of monetary counters with which we have been dealing. Income from wages and salaries, for example, have shrunk to 60 per cent of what they were in 1929, a decline of 40 per cent. Income from dividends has gone down from 100 per cent to 43 per cent. Now for the contrast. Income from property sources has declined from 100 per cent to 70 per cent, nearly 30 per cent, whereas interest on income derived from public utilities, particularly electric light, has declined only from 100 per cent to 93 per cent, and the climax is in the income from interest which has gone down merely from 100 per cent to 97 per cent, a paltry decline of 3 per cent. Whereas in contrast building construction activity and income arising from building operations has gone down from 100 per cent to 28 per cent, a decline of 72 per cent in income derived from building operations. There, it seems to me, is the justification for a reduction of interest rates as an element in the housing problem.

We have only to call attention to the fact that a large part of the building operations are carried on by borrowed capital. A re-

duction from 6 per cent to 4 per cent interest is a decline of $33 \frac{1}{3}$ per cent in the cost arising from interest, and if interest charges are half the cost -- I don't know exactly what they are -- you will see that the total decline there would be $16 \frac{2}{3}$ per cent if you were to reduce your interest rate from 6 per cent to 4 per cent.

How are you going to get a reduction of interest is the question. We seem to be agreed that it is necessary to get anywhere. There is a reason for it. If you reduce the interest rate you offer an inducement (I don't say a subsidy because it isn't a subsidy exactly) to builders to go ahead and build housing. Then housing, as I say, is a demand that is exceedingly responsive to changes in the cost of production. The fact that I have commented on the decline of 72 per cent in building activity shows how elastic the demand for housing can be, and that we have doubled up and lived with our friends and gone into poorer quarters, and so on. We can live on almost anything; food and clothing have the first claim. It has a flexible demand and therefore a slight change in the cost of production will revive the demand.

In the second place, by reducing the interest rate it seems to me we safeguard the principal. If I were in the fortunate position of holding a lot of bonds that gave me a magnificent income I think I would rather have two per cent on them and feel that the principal was safe, or even one per cent or one-half per cent, than to draw 10 per cent one year and lose the whole principal the next year. That is too obvious to need any comment.

How are we going to get a reduction of the interest rate? In the first place it seems to me that we can get it by the example of the Government, the Government reducing its own interest rate on its own borrowings. There is the question of its credit I realize, but if the credit with the Government is good, this should be an opportune time to reduce the interest rate of Government borrowers and therefore, set the pace for reducing the interest rates of those who live by interest payments.

In the second place you can get reduced interest rates by the Government, therefore actually making available funds for building construction at a low rate of interest. That is the customary way of doing it in Europe, and they have secured low cost housing and they have eliminated the slums. I don't know whether my friend, Ben Marsh, is right that they have gotten themselves in a mess doing it, but at any rate they haven't got the slums and they have some low cost housing. What the results will be one hundred years from now, I don't know and I don't think anybody else does either. We are perfectly safe in our prophecy. We can't prove it anyway.

Next you can offer the inducement of exempting from taxation money that goes into housing and put the burden of taxation upon another source. I don't take a great deal of stock in the fact that the housing that you build must pay for itself in its rents, what you

call productive investment of Government money. It seems to me that all Government money is equally productive. The Government collects for its services to the communities, and it collects it for the services which they think people are willing to pay the most for. Just now we seem to be paying the most for the services of protection, the Army and the Navy, et cetera. We get it from somewhere. If we are convinced that we want to pay more for another kind of protection, social protection, we will collect it from our citizenry because that is the thing they will vote for. I don't care whether or not you get it in rents, you get taxes out of the services that you render to your people.

In the next place you can perhaps reduce your interest rates simply by decree, as you approached the question of minimum wages and devised instrumentalities for fixing minimum wages. You may be able to work out some machinery by actually declaring that social standards of the community shall not permit you to collect more than such and such a rate of interest. I realize that is difficult to secure. I believe Germany is the only country that has tried it. They tried it in December 1931, and they may have stirred up some trouble in doing it, but there is an example. So it seems to me there are various devious ways of reducing the interest rate, and if the interest rate is a substantial item in low cost housing, it is worth while making that reduction in the interest rate.

I think that leaves me with some background of justification for the reduction of interest rates and a statement as to how you can do it. You may not agree with me, but there it is.

ERNEST J. BOHN

Secretary, Cleveland City Council

As I look over the program I see that I am the only one who is not an expert, and not being an expert I need only a very few minutes to say what I have to say.

I know nothing about planning. There are a lot of people in this audience who do know plenty about it; there are many experts here who will discuss the subject with you. I am a member of one of these councils, common councils. Ours isn't called a common council. I mean it isn't officially a common council, but many people do call it that. All the experience that I have had in housing and slum clearance is from the point of view of a municipal official.

When the Reconstruction Finance Corporation Act was passed, for the first time the national government made money available for low cost housing and slum clearance. Immediately something had to be done. Local governments were asked to do something about it. This money was made available to only those subdivisions that had

the necessary regulatory law, and for that reason we had a limited dividend law passed. Then the city government proceeded to encourage and to promote and help those who are interested in promoting limited dividend laws. Projects were sent down long before the present housing administration was set up. In fact, they were in a different building gathering dust there, as some people believe their projects are gathering dust here.

Then there came to pass the National Recovery Act and money was available not only as loans but as grants. So the city government again interested itself in passing the necessary laws, and I believe Ohio was the first state that enacted a public housing authority law. Pursuant to that public housing authority law, public authorities were set up in Cleveland, public authorities were set up in Cincinnati and in other parts of the state, hoping to obtain not only loans but actual grants for subsidized housing.

Again the Housing Division was flooded with plans. Very wisely they made up their minds that these schemes must conform to the general plan of the whole city, that any one of these schemes had to be part of the future planning of the whole community, and that this wasn't just a place to come with your wheelbarrow for the distribution of a lot of money.

For a couple of years I have been speaking in Cleveland on housing, trying to arouse public opinion for the support of this program of the Government. In recent months I have had to begin by asking the audience to kindly not ask me where those beautiful houses are that I have been saying for the past two years we were going to build with public funds. I am sure that must be the experience of a good many of you here, and it is rather discouraging. We wonder why it is that more speed isn't injected into it. We are told that dirt must fly. There is a lot of dirt in Cleveland that is just anxious to be flung, if that is the correct word.

The point, however, that I must make before closing is that we must remember that this is a new undertaking for this country. I don't think that only a few years ago we could have held a meeting such as this in a respectable hotel and discussed public housing or municipal housing. It would have been thought too radical. It is a new thing, and we must be tolerant, if tolerant is the correct word, in attempting to arrive at a sound solution. The great encouragement that I receive out of all this is that housing is getting into politics. Housing should have gotten into politics a long time ago. We speak about the example of England, what a marvelous start England has made, even if no actual solution has been arrived at. Why? Because housing has been in politics in England for a long, long time.

I think it was Mr. Klaber who at the slum clearance conference in Cleveland last summer said that slum clearance began with Henry the Eighth. Henry the Eighth ordered the demolition of one

hundred unsanitary slums in London. In England it has been a part of politics. In this country the citizens are interested, and these groups are formed for the purpose of arousing public opinion, but you must have the interest of your city councilmen, you must have the members of your state legislatures and of Congress interested. Housing and slum clearance is just as much a governmental function as the paving of streets or policing or hospitalization.

To show you that this is the opinion of a great many other people, there has been formed an association of public officials, of persons whose duty it is to interest their government and to carry out housing and slum clearance programs. This association is composed of a membership from thirteen different states, and three or four different municipalities. If such an association had been formed a year and a half ago there would have been one member, because New York was the only state that had a governmental body whose duty it was to carry out a housing program.

Now that all of these states are passing laws of this sort, I say to you, Mr. Kohn, that the real benefit that we are receiving from this agitation for housing and slum clearance is that government is actually interested. When you once find that the government as such, municipal government and state government, is actually interested in housing, not only in passing laws but actually interested, you will find that your task will be lightened a great deal. Thank you.

WALTER H. BLUCHER

Secretary, Detroit City Plan Commission

If an expert is a man from out of town, I suppose there are a few of us here.

I am somewhat at a loss to go about telling you about Detroit, because I have such a limited time in which to give my set talk. Even when the people whom I am addressing, the natives, know where Woodward and Hastings Streets are, it takes me an hour, and here I have been given ten or fifteen minutes.

I am not going to talk about housing, if you don't mind. I have to give you my background in order that you may properly understand what I am going to talk about. For a number of years I and others have been interested in housing from a social and sociological standpoint. We have an organization which has been interested in educating people to the need for housing.

I want to read to you from the annual report of the City Plan Commission of Detroit, for 1928, to show you that housing is not something new to us. This was in the days when it was heresy for

us to think about housing in relation to city planning, but we said at that time:

"Most cities in America have given almost no attention to the problem of housing its citizens, and particularly its low-wage earners. A few cities have experienced the conditions now prevalent in New York and Philadelphia, where the feeling has been that American workers receive high wages and that their living conditions are almost ideal." (You will notice that I have used two "almosts" as far as I have gone. We used to hedge in those days.) "This is largely the feeling in our own city. One-half the world does not know how the other half lives." (There is a bright statement that I am awfully proud of today.) "The result is ignorance on the part of most citizens as to the true living conditions in some sections of Detroit. It is not going beyond the truth to say that housing conditions in some sections of our city are almost intolerable." ("Almost" again.) "We cannot continue to disregard the housing of our small income citizens. Poor housing conditions result in the creation of criminal hotbeds. Studies in other cities and partial studies in Detroit show the greatest number of delinquent children where housing conditions are worst." Then I skip part and we go on to say, "The municipality will necessarily take a part in any scheme for housing reform."

That was back in 1928. Even in 1932 I was told that I ought to keep my nose out of housing.

Well, to get back to the Detroit plan, I am going to stop talking about housing for a few minutes and tell you something else.

Two years ago many people in this country thought that city planning was a luxury, and when we came very close to being eliminated from the picture in Detroit we decided that the best job we could do would be to determine, if possible, not what was wrong with Detroit, we knew what was wrong, but what might be done to remedy the situation. So we undertook a series of studies. We called them then, as we call them now, rehabilitation studies, and we made some very intensive studies. For instance, we checked into the matter of population flow, population density in various sections, and population movements, and there were a number of other things that we studied for the city, but I want to get to a particular area, what we called our "East Side blighted area."

We found among other things there that whereas we had a large concentration of colored population, and we have had a great increase in the colored population in the last few years in Detroit, the population in this East Side area had dropped off twenty-five per cent. We didn't know it, but it just happened. We found among other things that even the colored population which had an average family of four and one-half people, had only two and eight-tenths people in this area. We asked why. Their families aren't ordinarily smaller. We checked among these people and we found that the

decent, better colored people with children had been moving out of the area because criminal conditions were too bad for them. We checked that very carefully and found it to be a fact. We made a number of criminal studies, we made all of the so-called sociological studies, juvenile, tuberculosis deaths, pneumonia deaths, and all the rest of them were made. We checked the matter of assessed valuation, for instance. In the city of Detroit from 1930 to 1932 valuations dropped twenty-five per cent. In this particular area we found that valuations were starting to drop in 1927 during the very height of the boom. They were already going down, and from 1927 to 1932 they dropped about sixty-five per cent. Then we checked the tax delinquencies, and then we went through the area with pretty much of a fine comb.

This wasn't housing, please understand. This was rehabilitation. We went through and we found out the sizes of the families, the number of rooms, the number of bedrooms, and the income of the people, if any, and the rent they were paying, if any, and the number of automobiles they owned, and how they went to work, and where they worked, and how long they had lived in Detroit, whether they had ever been farmers, and whether they wanted to live on the farm. All of these questions were asked of the people, and we found out, of course, what was wrong with the town, and the next job was to find out what might be done.

Of course, we knew that most of the people in this area had been holding the property--I was going to say in the pious hope, in the hope that it would some day be used for commercial or industrial purposes. There was always the hope that property within half a mile of the downtown section would, through some miracle, be suitable for high buildings. So we decided to find out just what the possibility of that use was. We found that in our city, as in every city, there was just six times as much business frontage available for use as was in actual use, and I mean including the vacancies too. We checked the amount of property which was being used for industrial purposes, and we found one hundred per cent more available for industrial purposes than was actually in use. So it seemed pretty definite to us that the hopes for any use for industrial or commercial purposes, particularly in view of the trend in population, were very, very slim.

In the meantime the people were getting no income, and the property was in a very bad condition. We had eliminated commerce and we had eliminated industry from this area, and there were only two possible things that could be done. We might tear down the buildings and make parks, which was a very fine idea except that we didn't have any money to pay for the land. So we decided that the best use of this property was for some form of housing. We designed two-story houses, and three-story houses, and four-story houses, and six-story buildings, and the strange thing about it is that, assuming the land value to be below a dollar a square foot, we found, according to our estimates, that the best use and cheapest use was a two-story house, that when we went into the higher

buildings the cost of maintenance and the cost of operation and the added facilities raised the cost of the housing unit. So that is exactly how we came to housing. We found that the best use of the property in this particular area was for housing, upon one definite conclusion, that its value was in the neighborhood of 85¢, or 88¢, or 90¢ per square foot. Its value wasn't what people thought or hoped it was going to be worth for some industrial or commercial property. We assumed that the best use of the property was for a low type of housing, and upon that basis we found that the best use was for two-story houses.

That is where we have come at the present time. We prepared our plans; we sent them down; we got a tentative commitment, and what is going to happen rests upon what the gods sitting upon Olympus decide. It happens that Olympus is now called the Interior Building, but that is where we are.

Just one more thing. It is an old, old story, which I do like. It seems that there was a debate in Parliament over the Irish land question, and every once in a while from the gallery would come the call, "We want more land." Then again came the call, "We want more land." This is really a poor story, but I am going to tell it anyway. Finally it got on the nerves of the speaker, and he sent the sergeant-at-arms up to tell the man to be quiet. The sergeant-at-arms was on his way up and out came the cry, "We want more land." Finally the cry ceased, and later the speaker said to the sergeant-at-arms, "How did you get rid of that man?"

The sergeant-at-arms said, "I went up to him and I talked to him and I tried to quiet him, and I couldn't, so," he said, "I hit him first on one ear and then I hit him on the other ear, and I said, 'If you want more land, there are a couple of achers for you.' "

Maybe it is a terrible story, but I think it has some direct applications to this land question.

I want to close by paraphrasing Browning. I would say this, in so far as the Detroit housing proposition is concerned, paraphrasing Browning, "Our fate is in their hands who sayeth, 'A house they planned.' "

HAROLD S. BUTTENHEIM

Editor, The American City

Against widespread opposition the Government of the United States earmarks from its public works funds a hundred million dollars for loans and subsidies, through the Public Works Emergency Housing Corporation, to aid slum clearance and low-rent housing developments.

With almost no opposition the cities of the United States, through our unscientific system of real estate taxation, subsidize the very housing atrocities and oppressive rents which the Federal Government and local civic groups seek to correct. Few members of these civic groups seem even to suspect what is actually going on. Can we not arouse them to intelligent action?

In providing the public revenues of any city, the less we tax land the less is the pressure on owners to sell or use the land for housing projects. The less we tax buildings, on the other hand, the greater inducement there is to erect new homes or improve old ones. Obviously, a rational system of real estate taxation will reverse the first trend and strengthen the second. By raising more revenue from the land and less from buildings, two essentials of low-cost housing will be achieved: land will become cheaper to buy and develop, and homes will become cheaper to own or rent.

Part of the confusion on this subject in the minds of lawmakers and home owners arises from the unfortunate legalistic use of the term "real estate" as meaning either vacant land alone or land and buildings combined. The lawyers having united in one term two entities as dissimilar as oil and water, tax-makers traditionally follow suit.

Why labor products that happen to be fastened to the land should be taxed at a high rate, while moveable products are taxed at a low rate or not at all, no one has satisfactorily explained. I am not urging, of course, the taxation of moveable products. Personal property -- as such products are generally called -- has been found to be so unreliable and inequitable a source of public revenue that the personal property tax in most states is either a farce or a corpse. Taxes on homes, however, continue to be exacted, not from any social or economic necessity, but because homes are anchored to the land and are legally classified as a part of real estate. Thus we perpetuate the penalizing of home owners and tenants for their thrift and energy. While doing so we present to land owners rents or speculative profits which they are able to collect because of holding title to portions of the earth's surface which they never created, and whose value is maintained by the expenditures and services of government.

Without further argument, may I not assume that intelligent advocates of public housing realize the desirability of untaxing buildings and of paying the costs of municipal government largely from the land rents which such government and the mere presence of population create? The practical question then becomes, how can this rational system of taxation be adopted with the greatest benefit and least hardship to all concerned? Various proposals have been made of which the brief time assigned to me permits the mention of only the plan already partially carried out in Pittsburgh.

This co-called "graded tax" plan involves, in gradual installments over a period of years, the shift of taxes off of buildings and

onto the land. City taxes in Pittsburgh are now assessed on buildings at only one-half the rate which applies to taxes on the land. The 1933 rate in Pittsburgh (exclusive of Board of Education and County taxes, to which the "graded" plan does not apply) was \$2.06 on land and \$1.03 on buildings respectively, on each \$100 of assessed valuation. The present Mayor of Pittsburgh in his campaign for election last fall advocated legislation to extend this plan by gradual steps until buildings are freed up to 80 or 90 per cent from taxation.

Such a drastic change in local revenue systems will be slow of adoption and very leisurely in its attack on our fundamental problem. Meanwhile, there seems justification for securing, if we can, some special consideration from state and local taxing bodies for public housing projects. An ingenious provision in the "municipal housing authorities" bill now before the New York Legislature, stipulates that; "The property of an authority shall be exempt from all local and municipal taxes. An authority shall pay to the city a sum fixed annually by the city. Such sum shall not exceed in any year the sum last levied as an annual tax upon the property of the authority prior to the time of its acquisition by the authority."

Personally, while I should not oppose this provision of the bill, I believe it would be more sound and more just if it gave the municipality the option of either charging the tax just mentioned or the current land tax in any future year, whichever might be greater.

Another possibility is to allow an exemption of, say, \$3,000 on each family unit, in assessing new housing for taxation; and to continue to assess at full value the land on which such housing is built. Such a plan was adopted, with a ten-year limitation of tax exemption, in New York during the housing shortage after the war, and is believed to have been partly responsible for the tremendous building activity which followed.

Advocates of public housing as an emergency measure, of whom I have become one, are generally in favor of some form of tax exemption or tax limitation on the projects of public authorities or limited dividend housing corporations. But if we really want to stimulate construction and to do our best to solve the housing problem, why should we not favor similar exemptions for all housing -- thus treating private and public enterprise alike, and applying our stimulant to the entire community?

Pittsburgh's new Mayor, W. N. McNair, tells of one of his negro constituents, who shortly after paying a fine for chicken stealing, had heard the Mayor expound the inequity of taxing real estate improvements. "You mean," said the Negro, "that when I robbed a chicken coop I was fined once for it and set free, but if I build a coop and raise my own chickens the tax assessor will fine me by taxing the chicken coop every year?" Which seems to demonstrate that even a chicken fancier may be made to recognize an economic inconsistency.

In conclusion, I am optimistic enough to predict an age of reason when housing reformers and legislators will see the un-wisdom of fining home-owners for building chicken coops -- or even capitalists for building homes!

COLEMAN WOODBURY

Secretary, Illinois State Housing Commission

This afternoon I wrote down some notes on what I was going to say this evening, but we have heard so much talk and the hour is so late, the most of my talk is going to consist of reading the major headings of the speech proper.

My subject was "Unwise Land Policies: How they make housing more difficult," or words to that general effect. In the first place I was going to point out that encouraging, knowingly or unknowingly, active speculation in land made housing more difficult. I was going to talk a bit about what I call over-zoning, which has been alluded to here by other speakers, over-zoning either in the sense of giving too much land in the city to high income use or allowing an over intense development of the residential property. I think that a very strong case can be made for that common error in land policies, acting as a peg on which exorbitantly high land values are hung, or, to change the figure, as one of the props that land owners use to justify in their own minds, in some cases the minds of others, land values that have no relation to the probable use of the land.

The second thing that I wanted to talk about what a hit-and-miss disposal of property, of land that comes to municipalities or governmental units; the hit-and-miss policy of disposing of that land at the earliest opportunity has taken from American cities one of the most useful clubs which they might have at the present time against too high land values. I wanted to point out under that, not only that this point has some historical interest, some comparative interest between American cities and German and Scandinavian cities, but that we are facing at the present time in this country and in the immediate future a situation when that policy can be reversed, I think, to good effect.

I wanted to suggest, following that, that many cities in this country are going to have large amounts of tax-delinquent land divert to them in the near future if it has not already done so. The treatment of that land whether it is to be disposed of at bargain prices, or some attempt is to be made to consolidate it into useable sites, I think is a genuine question of land policy.

I wanted to suggest also that public housing authorities

be permitted to accumulate surpluses from their earnings over a period of years, and that they be specifically allowed to invest that, when it seemed wise to them, in land. In that way they will be able to take advantage of the real estate market, and in ten or fifteen years from now perhaps be in a much stronger position to obtain units of land at reasonable prices than they are at the present time.

In the third place I wanted to point out that our unwise land policies in the past have wasted literally millions of dollars. If that needs any substantiation I would suggest that you try estimating for a large city, such as Chicago or Detroit, the amount of savings of that community that has been wasted in wild-cat subdivisions, in our special assessment bonds, and in real estate bonds, all of them tied directly to it, and encouraged in some ways by the official land policies in those communities, in some cases by the lack of land policies in those communities, in the past. I only wish that we had at the present time at the disposal of the Federal Housing Division a tenth of the wealth of this country that was squandered between 1920 and 1930 as the result of land policies, and we couldn't ask the President or Congress for a billion dollars or any other meager sum of money.

Finally I want to suggest that one of the weakening effects on the financial conditions of American municipalities has been their lack of land policies. I wanted to suggest to follow that, Mr. Phillip Cornik's study in New York, in which he has shown a correlation between the amount of subdivision that has been carried on in various cities and the amount of tax delinquency in those same cities. He suggests that possibly one of the reasons American cities are in the sorry financial plight they are today is that waste of land resulting from land policies in the past, that has been reflected not only in the savings of the community, in the condition of its banks and what not, but actually in the financial status of the municipal government. That is not the only reason, of course, but I suggest that it is one important one.

That is the major part of the talk. I think that I have cut ten minutes to three or four minutes. I hope so. But then I was going to indulge in the luxury of saying some things that didn't have to do with my topic.

It seems to me that at the present time there are certain questions -- I don't know whether you want to dignify them by suggesting that they be the subject of policies or not -- involving the use of land for housing that ought to be very carefully considered. I don't know the answers to all of them, but I do think it may be of some service to this conference to suggest those questions as clearly as I can.

We are a conference today of an organization that believes in and is dedicated to propaganda, if you wish, in the legitimate sense of that word, and education in housing matters, and yet the

difficulty of the land assembly problem for low cost housing is in direct relation to the amount of publicity that is given to housing at a given time. To show you what I mean, as long as the publicity is used to interest civic groups, to bring in people who should be concerned in public matters who heretofore have been deaf to them, well and good, but the minute you begin to suggest sites or possible areas before the acquisition of those areas, you are running a big chance of increasing your land cost enormously. I have had plenty of evidence in my office in the last two or three weeks of that situation in Chicago where we have not had an enormous amount of publicity given to housing. I think we are all anxious for education in housing matters. We are all anxious to see as little of the money that is spent for housing as is possible go for land, and I suggest to you in your individual communities that that is a matter worthy of your attention. It may seem small, but it may make the difference between a fairly successful start and a dismal failure in your initial attempt at low cost housing.

The second thing that I want to suggest as an immediate land policy is the treatment in large housing schemes of commercial land. In developments in the past, developments that are as diverse as, say, Nichols' commercial development in Kansas City and the English garden cities, very good results have come from a policy of securing income from commercial land developed in conjunction with housing lots or housing districts. Of course, in the case of the English garden cities that income from commercially used land is passed on eventually to the inhabitants of the town or the district, in the form of reduced cost for their housing. It seems a reasonable, a possible way of reducing rentals. At the same time there are very considerable hazards in them, and I know of several large developments started before the depression which have found that during the depression their income from stores had dropped much more rapidly than the income from their housing units. So that there is always a very considerable hazard there. It is very obviously a question that can't be answered in the abstract or in general terms, but I wish again merely to suggest it for your consideration.

The third thing that I wanted to bring forward is the question of when to condemn. I think that practically everyone in this room would agree that condemnation will have to be used at sometime in the acquisition of sites for low cost housing. Eighteen months ago or a year ago I would have agreed without any question that the proposition of condemnation should have been held in reserve and used only as a last resort; in fact, in our bill in Illinois we agreed to an amendment which allowed condemnation to be used only after 50 per cent of the land was under voluntary option. Since then I have had some misgivings on that policy. The argument on the other side is this, that if when the area is decided upon condemnation suits can be started against owners of that land, you shut out the possibility of fake sales and fake mortgages to establish higher prices for the property. Of course, you run the risk of being called high-handed and dictatorial and un-American and all that sort of thing. The psychology of it is going to be bad, it is

going to be easy for your opponents to make you look bad for the time being, but I do not think that it is an issue in which the weight is not all on one side by any manner of means.

Finally I want to suggest that in the acquisition of land we are at the present time in many American cities at a very crucial point. There is a general feeling I think throughout the country that there will be some business up-turn in the spring. I think that in most American cities we are facing a potential housing shortage, and in Chicago I can testify from rather careful inquiries in the last few weeks that the real estate market is decidedly firmer than it was six months ago. Now if we wait another few months -- I don't think it will have to be more than four or five months -- to acquire land in some of these cities we are going to pay much more than if we get started right away. I don't know how true that is in your own towns. I am very convinced it is true in mine. I am glad to have seen the evidence given in this conference and in Mr. Kohn's talk on the possibilities of prompt action on the projects that have been talked and studied for so long.

Well, my saving of time hasn't materialized I see, but I do think that these last questions that I have suggested to you, while I do not want to dignify them by suggesting that they are matters of profound policy, are practical problems which every city in this country is going to face if it is not already facing them.

DR. WERNER HEGEMANN

Lecturer, New School for Social Research
Former Editor of *Stadtbau*

It seems to me that one possibility has not been mentioned today. Mrs. Roosevelt said that finally the rehousing will have to be done by private enterprise or by some other enterprise than cities, and another speaker said this evening that we will sooner or later come to the point where bonds will have to be issued. My suggestion would be this: Why not issue bonds right away? In other words, the Government is now giving a hundred million dollars, and there is a danger that this hundred million dollars will be put into construction. My suggestion would be not to use it for construction, but to use it as a Government guarantee for issuing immediately, say, five hundred million dollars worth of bonds. These bonds could be secured by the housing scheme itself and they could have the additional guarantee of the Government by this one hundred million dollars.

You know that since the war there has come into existence in the United States a mortgage debt of thirty-five billion dollars, 60 per cent of which is in difficulties, and eight billion of which is entirely lost. It seems to me that that shows there is a strong desire in this country for a safe and sane investment, and there could

not be a better investment than a well-designed housing scheme for low grade housing, especially if you give the people gardens. The longer the depression lasts the more they will have to have gardens because they can make a little living from the gardens. With the additional Government guarantee of a hundred million dollars, I think there would be quite a large number of people who would be interested in these bonds.

I should like to express my delight at seeing Mr. Benjamin Marsh here. It was Mr. Marsh who started me exactly twenty-seven years ago, as he said, by his housing exhibition in New York on an entirely new career in life. I took his idea to Europe and we have had one housing exhibition after another, the father of which is Mr. Benjamin Marsh.

He said something this evening which surprised me very much. He spoke of the two billion dollar revolving fund. It seems to me that that is a very important idea. You have heard over and over again that the United States has lived from one boom to another. First you had the canals, then you had the railroads, then you had electricity, then the radio, and then the automobiles, and now, at present, there is no more boom; therefore, the depression.

Up to the present time you have never done the slightest bit of housing for one-third of your population. You should start to build for this one-third of your population for which you have never built. Instead you sent the money to Europe and we did the building for our people. You know there is no city without a slum, and in thirty years every house that is modern now will not be modern. If you begin this revolving fund of Mr. Benjamin Marsh's, you will never have a depression again; you will continuously have a new boom and new houses. I hope I will see them. I have not yet seen them. Every five or ten years for more than thirty years I have been coming to meetings like this, and nothing has come of them, but I hope that this time something will come of it.

EDWARD F. McGRADY

Second Assistant Secretary, Department of Labor and
Assistant Administrator for Labor
National Recovery Administration.

I regret exceedingly that I have not had the opportunity of spending more time with you today, but this just happens to be one of those tremendously busy days for those who are engaged in this reconstruction program that we are trying to go through with in this country. I am sure I haven't been missed, because I understand that Mr. Turner Battle has been here representing the Secretary of Labor, and I see a very large group of very intelligent labor leaders over there who are also interested in good housing and low-cost housing.

In going around this country I have been impressed with this fact: There is a very definite need for low-cost housing, but there has not been a sufficient demand on the part of those who believe in low-cost housing to crystallize public sentiment in favor of it. You hear about it here and there and everywhere, but when it comes to doing actual work to bring this thing about, to make it a reality, there doesn't seem to be any teamwork, and that is one of the reasons why I was thrilled in coming here.

This is my second appearance here today. I was thrilled in seeing this group here. It is the largest group that I have been able to attend in recent years that are striving for low cost housing, but even this won't be enough. You have got to go out of this meeting and create a large and vociferous national demand for low-cost housing.

This morning I had to go over on the Hill, and I was at a conference with, I think, three senators and maybe eight or nine members of Congress who are on the Committee on Appropriations. I told them that I couldn't stay with them much longer because I was coming back here to this meeting on low cost housing. That started a discussion in that group, and there wasn't a man there who wasn't afraid of the proposition of the Government aiding in any way in low-cost housing. They were all thinking in terms of increased taxation. I suggested that they had better come down here and sit in and listen to you ladies and gentlemen and learn something. But those gentlemen who have the power in the Federal Government and those people who have the power in the state governments and in the municipal governments will listen to you and they will adopt adequate programs just as soon as we can bring about this crystallization of the thoughts of the people and put them into demand. Once you get the people demanding in this country you will get action, but you won't get action, even though there is a need for it, until you do organize demanders in every state in this country.

REPORT OF THE
RESOLUTIONS COMMITTEE

Presented by John Nolen
Vice-President, National Public Housing Conference

The following resolutions received the unanimous approval of the delegates to the Washington Conference on Public Housing, held under the auspices of the National Public Housing Conference at the Willard Hotel, Washington, D.C., on Saturday, January 27th, 1934:

1. As an immediate and permanent policy it is urged that public housing authorities be created in states having the necessary enabling legislation, and that the passage of such legislation in other states, which are now without it, be secured.

2. In states where public authorities do not now exist or cannot immediately be legally created, it is urged that demonstrations be started at once by the Public Works Emergency Housing Corporation as the most effective means of educating communities to the possibilities of slum clearance and decent low-cost housing for wage-earners, and as an important aid to solution of the unemployment problem.

3. The Conference is on record as being in hearty sympathy with President Roosevelt's statement to a specially delegated committee of the Conference, that the most effective step in the housing program for the immediate future is "to make the dirt fly" on sound demonstrations.

4. It is the united conviction of the Conference that this action will do more than anything else to insure the future of public housing, and to secure increased appropriations from federal and other governmental funds; further, that if the money already appropriated is wisely and speedily spent, additional appropriations will certainly be forthcoming.

5. The members of the Conference pledge themselves vigorously to initiate in our own communities such action as may be necessary to achieve the objectives set forth above.

6. Finally, it is the sense of the Conference that every political unit be urged to exercise such authority as it now has to cause the vacating of dwellings illegally occupied; and further, to cause the demolition of every dwelling not meeting the minimum requirements set by law or by the authorities having the power to so determine.

